

CALIFORNIA DEPARTMENT OF INSURANCE  
LEGAL DIVISION  
ENFORCEMENT BUREAU  
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Attorneys for Steve Poizner,  
Insurance Commissioner

**BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF CALIFORNIA**

In the Matter of the Licenses and Licensing  
Rights of:

File No. HQ- 41340

JERROLD RANDOLPH YOUNG,  
  
MARGARET MARY YOUNG,  
  
PAGE MARIE CASTRO,  
  
PELICAN BAY COMPANY, formerly  
d/b/a FRASER YAMOR JACOB &  
YOUNG INSURANCE AGENCY, et al.,  
currently d/b/a YOUNG AND COMPANY  
INSURANCE BROKERS,  
  
Respondents.

ACCUSATION

The Insurance Commissioner of the State of California in his official capacity alleges that:

**JURISDICTION AND PARTIES**

1. The California Department of Insurance (hereafter “Department”) brings this matter before the Insurance Commissioner of the State of California (hereafter “Commissioner”). The Commissioner is the principal government regulator of insurance in California, pursuant to the California Insurance Code.

2. This matter arises under the California Insurance Code, Division 1, Part 2 Chapter

1 5, Article 1 (Section 1621 et seq.), which governs the licensing of production agencies, including  
2 Life Agents and Fire and Casualty Broker-Agents.

3 3. This proceeding is governed by the California Administrative Procedures Act,  
4 commencing with Chapter 5 of Part 1 of Division 3 of Title 2 of the California Government Code  
5 (Section 11500 et seq.).

6 4. Respondent JERROLD RANDOLPH YOUNG, has been, and still is, licensed by  
7 the Commissioner to act as a Life Agent since July 21, 1983. On January 1, 2008, said Life  
8 Agent license was converted into two license qualifications: Life-Only Agent and Accident and  
9 Health Agent. Respondent and has been, and still is, licensed to act as a Fire and Casualty  
10 Broker-Agent since December 4, 1980.

11 5. Respondent MARGARET MARY YOUNG, has been, and still is, licensed by the  
12 Commissioner to act as a Fire and Casualty Broker-Agent since February 5, 1990.

13 6. Respondent PAGE MARIE CASTRO, was licensed as a Fire and Casualty Broker-  
14 Agent from April 6, 1999 to April 30, 2007. Pursuant to California Insurance Code section 1743,  
15 “the lapse...of any license by operation of law, by failure to renew...shall not deprive the  
16 commissioner of jurisdiction or right to institute or proceed with any disciplinary proceeding  
17 against such license, to render a decision suspending or revoking such license or to establish and  
18 make a record of the facts of any violation of law for any lawful purpose.” The Insurance  
19 Commissioner has jurisdiction over any license five years from the expiration of the license.

20 7. Respondent PELICAN BAY COMPANY, is a partnership between Respondent  
21 JERROLD RANDOLPH YOUNG and Respondent MARGARET MARY YOUNG and was, and  
22 still is, licensed as a Life Agent since February 19, 1992. On January 1, 2008, said Life Agent  
23 license was converted into two classifications: Life-Only Agent and Accident and Health Agent.  
24 Furthermore, Pelican Bay Company was, and still is, licensed as a Fire and Casualty Broker-  
25 Agent since February 19, 1992. Pelican Bay Company held an authorized DBA of “Fraser  
26 Yamor Jacob & Young Insurance Agency” from March 3, 1993 to February 17, 2004.  
27 Thereafter, Pelican Bay Company held an authorized DBA of “Fraser Yamor Young Insurance  
28 Agency” from February 17, 2004 to February 23, 2007. To date, Pelican Bay Company has been

transacting insurance business under the DBA Young and Company Insurance Brokers.

8 Respondent JERROLD RANDOLPH YOUNG is a “controlling person” of  
Respondent PELICAN BAY COMPANY, as defined by Section 1668.5(b) of the California  
Insurance Code.

## FACTUAL ALLEGATIONS

9. On March 3, 2009, in the Superior Court of California, County of Del Norte, Case No. CR-F-08-0009075, Respondent PAGE MARIE CASTRO was convicted of embezzlement by grand theft, a violation of section 503/487 of the California Penal Code, a misdemeanor. Said conviction was a result of Respondent PAGE MARIE CASTRO's fraudulent activities as an insurance agent for Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY.

10. Between 2002 and 2003, the California Department of Insurance received numerous complaints from California insurance consumers regarding Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY, Respondent PAGE MARIE CASTRO, and Respondent JERROLD RANDOLPH YOUNG's business practices to wit:

a. Robin Ridgley Transaction

11. On or about March 4, 2002, Robin Ridgley visited Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's place of business to purchase an automobile insurance policy. Respondent PAGE MARIE CASTRO assisted Ms. Ridgley in completing an automobile insurance policy with California Capital Insurance Company. The application requested coverage for Ms. Ridgley's three automobiles: a 1990 BMW M3, a 1988 Nissan Sentra, and a 1986 BMW 325E. The application indicated an effective coverage period beginning March 4, 2002 and ending September 9, 2002. The application indicated a total policy premium of seven hundred ninety-three dollars (\$793.00). The application bore the signatures "Robin Ridgley" and "PAGE MARIE CASTRO" and was dated "3/4/02". Ms. Ridgley made a cash payment in the amount of two hundred sixty-five dollars (\$695.00) to Respondent PELICAN BAY COMPANY, formerly DBA FRASER

1 YAMOR JACOB & YOUNG INSURANCE AGENCY representing an initial payment towards  
2 the insurance policy's premium. However, the application was never submitted to California  
3 Capital Insurance Company and a policy was never issued.

4 12. In or around June 2002, Robin Ridgley purchased a Jeep Grand Cherokee. Ms.  
5 Ridgley financed the purchase of the Jeep with a loan from Fireside Thrift Company. The terms  
6 of the financing agreement included a requirement that Ms. Ridgley obtain automobile insurance  
7 for the Jeep.

8 13. On or about August 3, 2002, Robin Ridgley notified Respondent PAGE MARIE  
9 CASTRO of Ms. Ridgley's need to provide Fireside Thrift Company of evidence of insurance  
10 coverage for her Jeep.

11 14. In or around September 2002, Robin Ridgley's 1990 BMW was damaged in an  
12 accident. Ms. Ridgley obtained a repair estimate from Fred's Body Shop in the amount of three  
13 thousand one hundred seventy dollars and fifty-eight cents (\$3,170.58). Ms. Ridgley contacted  
14 Respondent PAGE MARIE CASTRO to file a claim, believing that her BMW was insured under  
15 an effective policy. However, the BMW was never repaired.

16 15. On or about September 2, 2002, Robin Ridgley visited Respondent PELICAN  
17 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
18 AGENCY's place of business to obtain insurance coverage for her Suzuki Katana motorcycle.  
19 Ms. Ridgley received from Respondent PAGE MARIE CASTRO a quote of fifty dollars (\$50.00)  
20 for a six month insurance policy. Ms. Ridgley accepted the quote and made a cash payment of  
21 fifty dollars (\$50.00) to Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
22 YAMOR JACOB & YOUNG INSURANCE AGENCY. Respondent PAGE MARIE CASTRO  
23 never notified Ms. Ridgley of the insurance company that the Suzuki would be insured with nor  
24 did Respondent PAGE MARIE CASTRO provide Ms. Ridgley with any documentation of the  
25 insurance policy transaction. In reality, no insurance policy was actually placed for Ms.  
26 Ridgley's Suzuki motorcycle.

27 16. In collecting Robin Ridgley's premium payment and subsequently failing to place  
28 insurance or remit that payment back to Ms. Ridgley, Respondent PAGE MARIE CASTRO

1 exposed Ms. Ridgley to the risk of loss without insurance coverage in violation of Section  
2 1668(j), Section 1668(l), Section 1733, and Section 1734 of the California Insurance Code.

3 17. In an invoice dated October 30, 2002, Fireside Thrift Company charged Robin  
4 Ridgley one hundred seventy-eight dollars (\$178.00) representing forced insurance coverage on  
5 Ms. Ridgley's Jeep as a result of Fireside never receiving proof of coverage as Ms. Ridgley had  
6 promised in the financing agreement.

7 18. On or about October 14, 2002, Robin Ridgley received a copy of an insurance  
8 binder from Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
9 JACOB & YOUNG INSURANCE AGENCY. The binder indicated "Fraser Yamor Jacob &  
10 Young" as the producer, "Robin Ridgley" as the insured, and "California Insurance Group" as the  
11 insurer providing coverage. The binder indicates the type of insurance as "Auto Physical  
12 Damage", the policy number as "4PAC1546229", and a policy period beginning May 7, 2002 and  
13 ending November 7, 2002. The authorized representative signature bears the name "PAGE  
14 MARIE CASTRO".

15 19. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
16 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
17 MARIE CASTRO had the authority to issue the certificate of insurance referenced in Paragraph  
18 18 because no policy was actually in effect, in fact, California Capital Insurance Company had  
19 never issued a policy under the number 4-PAC-1-546229.

20 20. On or about October 25, 2002, Robin Ridgley's Suzuki motorcycle was damaged  
21 in a traffic accident while her son drove the motorcycle. When Ms. Ridgley arrived upon the  
22 scene of the accident, she contacted Respondent PAGE MARIE CASTRO to obtain information  
23 on her insurance policy to give to the attending police officer. Respondent PAGE MARIE  
24 CASTRO represented to Ms. Ridgley that Progressive Insurance Company insured the Suzuki  
25 motorcycle under a policy number 027796269. The attending police officer noted this insurance  
26 policy number on the police report.

27 21. In reality, Respondent PAGE MARIE CASTRO provided Robin Ridgley with  
28 false information regarding an insurance policy for the purposes of providing that information to

1 the attending police officer. In fact, the Progressive Insurance Company had never issued Ms.  
2 Ridgley an insurance policy.

3 22. On or about November 1, 2002, San Luis Motorsports gave Robin Ridgley an  
4 estimate in the amount of three thousand seven hundred fifty-three dollars and twenty cents  
5 (\$3,753.20) to repair Ms. Ridgley's Suzuki motorcycle.

6 23. On or about November 7, 2002, Robin Ridgley received three Insurance  
7 Identification Cards from Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
8 YAMOR JACOB & YOUNG INSURANCE AGENCY. Each card represented insurance  
9 coverage for three of Ms. Ridgley's automobiles: a 1990 BMW M3, a 1997 Jeep, and a 1986  
10 BMW 325E. The cards indicated "Fraser Yamor Jacob & Young, Page Marie Castro" as the  
11 agency issuing the cards, "Robin Ridgley" as the insured, and "California Insurance Group" as  
12 the insurer providing coverage. The cards indicate a policy number "4PAC1546229", and policy  
13 periods beginning November 7, 2002 and ending May 7, 2003.

14 24. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
15 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
16 MARIE CASTRO had the authority to issue the three Certificates of Insurance referenced in  
17 Paragraph 23 because no policy was actually in effect, in fact, California Capital Insurance  
18 Company had never issued a policy under the number 4-PAC-1-546229.

19 25. In or around December 2002, Robin Ridgley contacted Respondent PAGE MARIE  
20 CASTRO regarding the forced insurance for her Jeep and also to determine the status of the  
21 claims on her two damaged vehicles: the 1990 BMW M3 and the Suzuki motorcycle.  
22 Respondent PAGE MARIE CASTRO represented that claim checks were lost in the mail.

23 26. On or about December 11, 2002, Respondent PAGE MARIE CASTRO forwarded  
24 an email to Robin Ridgley. The email contained a message purportedly from Julie Suprey, a  
25 Senior Branch Claim Representative at California Capital Insurance Company to Respondent  
26 PAGE MARIE CASTRO. The message substantiated Respondent PAGE MARIE CASTRO's  
27 statements that the claim checks were lost and could be reissued. However, in a letter dated June  
28 15, 2005 to the California Department of Insurance, Ms. Suprey indicated that she had not

1 authored the email.

2       27. On or about January 23, 2003, Ridgley visited Respondent PELICAN BAY  
3 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
4 place of business to discuss the forced insurance and the two claims for her damages automobiles.  
5 On that day, Ms. Ridgley dealt with Respondent PAGE MARIE CASTRO. Respondent PAGE  
6 MARIE CASTRO recommended that Ms. Ridgley complete a second insurance application with  
7 California Capital Insurance Company wherein Ms. Ridgley complied. The application requests  
8 coverage for three of Ms. Ridgley's automobiles: a 1990 BMW M3, a 1986 BMW 325E, and a  
9 1997 Jeep Cherokee. The application indicates an effective coverage period beginning January  
10 23, 2003 and ending July 23, 2003. The application indicates a total policy premium of six  
11 hundred sixty-two dollars (\$662.00). The application bears the signatures "Robin Ridgley" and  
12 "Page Marie Castro" and is dated January 23, 2003. California Capital Insurance Company  
13 received the application on April 15, 2003.

14       28. In a letter dated March 27, 2003, Robin Ridgley expressed concern to Respondent  
15 MARGARET MARY YOUNG about the status of her automobile insurance policy. Ms. Ridgley  
16 indicated that an amount of approximately one thousand two hundred dollars (\$1,200.00) has  
17 been added to her loan to finance the payment of her Jeep due to the forced insurance coverage.  
18 Ms. Ridgley explained that she needed proof of insurance to cancel the forced insurance  
19 coverage. Furthermore, Ms. Ridgley indicated that she had directly called California Capital  
20 Insurance Group on two occasions wherein she was told that she did not have an automobile  
21 insurance policy in effect.

22       29. On or about April 1, 2003, Respondent PAGE MARIE CASTRO gave Robin  
23 Ridgely two Automobile Insurance Declaration certificates representing that a policy was issued  
24 to Ms. Ridgley from California Capital Insurance Company. The first certificate indicates "Fraser  
25 Yamor Jacob & Young Ins" as the servicing agency and "Ridgley, Robin" as the name of the  
26 insured. The certificate indicates a Jeep Cherokee as the insured vehicle with a policy number of  
27 "4-PAC-1-176021", and a policy period beginning August 3, 2002 and ending February 3, 2003.  
28 The authorized signature bears the name "Robert D Winn". The second certificate indicates

1 “Fraser Yamor Jacob & Young Ins” as the servicing agency and “Ridgley, Robin” as the name of  
2 the insured. The certificate indicates a “1990 BMW M3”, a “1986 BMW 325E”, and a “1997  
3 Jeep GCHE” as the insured vehicles with a policy number of “4-PAC-1-176021”, and a policy  
4 period beginning August 3, 2002 and ending February 3, 2003. The authorized signature bears  
5 the name “Robert D Winn”.

6 30. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
7 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
8 MARIE CASTRO had the authority to issue the two Automobile Insurance Declaration  
9 certificates referenced in Paragraph 29 because no policy was actually in effect, in fact, California  
10 Capital Insurance Company had never issued a policy under the numbers 4-PAC-1-176021 or 4-  
11 PAC-1-176021. Furthermore, Robert D. Winn had never authorized Respondent PELICAN BAY  
12 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY to  
13 use his signature on said certificates.

14 31. On or about May 22, 2003, Robin Ridgley visited Respondent PELICAN BAY  
15 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY to  
16 discuss the status of her insurance policy. On that day, Ms. Ridgley met with Respondent  
17 MARGARET MARY YOUNG. As a courtesy, Respondent MARGARET MARY YOUNG  
18 offered to pay for a year’s worth of premium on Ms. Ridgley’s automobile insurance policy.

19 32. On or about June 5, 2003, Fireside Thrift Company sent a letter to Robin Ridgley  
20 indicating that because Ms. Ridgley had obtained adequate proof of insurance coverage for her  
21 Jeep, Fireside Thrift Company was canceling the forced coverage policy. Furthermore, the letter  
22 indicated that a refund of unearned premium was refunded to Ms. Ridgley in the amount of one  
23 thousand one hundred thirty-three dollars (\$1,133.00).

24 33. From March 2002 through June 2003, Respondent PELICAN BAY COMPANY,  
25 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
26 Respondent PAGE MARIE CASTRO failed to remit Rosalind Jones’ premium to Foremost  
27 Insurance Group, which exposed Ms. Jones to the risk of loss without insurance coverage in  
28 violation of Section 1668(j), Section 1668(l), Section 1733, and Section 1734 of the California



1 Insurance Code.

2 34. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
3 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
4 knowingly created and distributed a false certificate of insurance and in doing so committed a  
5 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
6 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
7 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
8 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
9 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
10 YOUNG INSURANCE AGENCY, aided or abetted such conduct in violation of Section 1668(n)  
11 and Section 1668(o), Section 1668.5(a)(6), and Section 1668.5(a)(7) of the California Insurance  
12 Code.

13 b. Lance and Patricia Corrigan Transaction

14 35. On or about January 24, 2001, Lance and Patricia Corrigan (hereinafter  
15 “Corrigans”) purchased a 1997 Cadillac Deville. The Corrigans financed the purchase of the  
16 automobile with a loan from Coast Central Credit Union. The terms of the financing agreement  
17 included a requirement that the Corrigans obtain physical damage insurance for the automobile.  
18 To satisfy this requirement, the Corrigans submitted proof of a preexisting automobile insurance  
19 policy with Allstate Insurance Company.

20 36. On or about June 9, 2002, Allstate Insurance Company cancelled the Corrigans’  
21 automobile insurance policy.

22 37. On or about June 18, 2002, Allstate Insurance Company issued a refund check to  
23 Lance and Patricia Corrigan in the amount of four hundred twenty-six dollars and fifty cents  
24 (\$426.50), representing the unearned premium of the cancelled policy.

25 38. On or about July 14, 2002, Patricia Corrigan visited Respondent PELICAN BAY  
26 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY’s  
27 place of business to determine the reason Allstate Insurance Company had cancelled the  
28 Corrigans’ automobile insurance policy. Ms. Corrigan gave the check referenced in Paragraph 37

1 to Carlyn McBride, an employee of Respondent PELICAN BAY COMPANY, formerly DBA  
2 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY, for the purpose of attempting  
3 to reinstate the cancelled insurance policy.

4 39. On or about September 27, 2002, Coast Central Credit Union sent a notice to  
5 Lance Corrigan indicating that as of July 14, 2002, Mr. Corrigan had not provided proof of  
6 physical damage insurance on the Corrigan's 1997 Cadillac Deville, as Mr. Corrigan had  
7 promised in the financing agreement. As a result, Coast Central indicated that it had placed  
8 forced insurance coverage on the vehicle beginning July 14, 2002 and ending July 14, 2003. The  
9 total premium of the policy was one thousand five hundred eighty dollars (\$1,580). The notice  
10 indicated that Coast Central Credit Union obtained the forced insurance policy through Kessler &  
11 Associates Insurance Agency.

12 40. On or about October 8, 2002, Patricia Corrigan visited Respondent PELICAN  
13 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
14 AGENCY's place of business to discuss the notice of forced coverage. Carlyn McBride  
15 recommended that Ms. Corrigan obtain a new automobile insurance policy with California  
16 Capital Insurance Company. Thereafter, Ms. Corrigan completed an application with California  
17 Capital Insurance Company requesting coverage for a 1997 Cadillac Deville and a 1986 Toyota  
18 Camry. The application requested an effective coverage period beginning October 25, 2002 and  
19 ending April 25, 2003. The policy had a total premium of one thousand one hundred thirteen  
20 dollars (\$1,113.00). The application was dated October 8, 2002 and bears the signatures of  
21 Patricia Corrigan and Carlyn McBride. Ms. Corrigan made a premium payment in cash to  
22 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
23 YOUNG INSURANCE AGENCY in the amount of four hundred twenty-six dollars and fifty  
24 cents (\$426.50).

25 41. On or about November 8, 2002, Respondent PELICAN BAY COMPANY,  
26 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY submitted the  
27 Corrigan's automobile insurance application, referenced in Paragraph 40, to California Capital  
28 Insurance Company. California Capital Insurance Company approved the application and issued

1 the Corrigan's an insurance policy.

2 42. On or about November 12, 2002, the Corrigan's refund check from Allstate  
3 Insurance Company, referenced in Paragraph 37, was endorsed "Fraser-Yamor-Jacob & Young"  
4 and deposited into Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
5 JACOB & YOUNG INSURANCE AGENCY's trust account.

6 43. On or about December 5, 2002, Kesler & Associates received a Declaration of  
7 Insurance indicating that the Corrigan's had obtained automobile insurance with California Capital  
8 Insurance Company with an effective date of October 25, 2002 and ending April 25, 2003.

9 44. In or around March 2004, Lance Corrigan called California Capital Insurance  
10 Company regarding the Corrigan's automobile insurance policy. A customer service  
11 representative indicated that the Corrigan's policy had become effective on October 25, 2002.

12 45. On or about March 11, 2004, Lance Corrigan visited Respondent PELICAN BAY  
13 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
14 place of business to discuss the lapse in insurance coverage for the Corrigan's 1997 Cadillac  
15 Deville from July 14, 2002 until October 25, 2002. Respondent JERROLD RANDOLPH  
16 YOUNG created and handed to Mr. Corrigan a Certificate of Liability Insurance. The certificate  
17 indicated "Fraser Yamor & Young" as the producer, "Allstate" as the insurer affording coverage,  
18 "Tricia and Lance Corrigan" as the insureds. The certificate indicated the type of insurance as  
19 "Automobile Liability", the policy number as "067170622", and a policy period beginning July  
20 14, 2002 and ending October 25, 2002. Furthermore, the certificate listed "Coast Central Credit  
21 Union" as the certificate holder. The authorizing representative signature bears the name "Jerry  
22 Young". Immediately after preparing the certificate, Respondent JERROLD RANDOLPH  
23 YOUNG gave Mr. Corrigan a copy wherein Mr. Corrigan submitted the certificate to California  
24 Capital Insurance Company in an attempt to recover a refund of the forced insurance referenced  
25 in Paragraph 39.

26 46. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
27 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent JERROLD  
28 RANDOLPH YOUNG had the authority to issue the Certificate of Liability Insurance referenced

1 in Paragraph 45 because an automobile policy was not actually in effect during the indicated time  
2 period. In fact, the Corrigan's automobile insurance policy with Allstate Insurance Company had  
3 lapsed as of June 9, 2002 and had never been reinstated. It was only until October 25, 2002 that  
4 the Corrigan's automobile was insured and California Capital Insurance had provided said  
5 coverage.

6 47. In a letter dated March 25, 2002, Christin McCann, Customer Advocate Specialist  
7 for Allstate Insurance Company, indicated to the California Department of Insurance that the  
8 insurance policy number 067170622, as listed on the Certificate of Insurance created by  
9 Respondent JERROLD RANDOLPH YOUNG, referenced in Paragraph 45, did not correspond to  
10 an automobile insurance policy. In fact, the insurance policy number 067170622 corresponded to  
11 an Allstate Deluxe Homeowner policy which the Corrigan's had in place since March 24, 1994.

12 48. In a letter dated July 1, 2005, Kimberly Payne, Chief Financial Officer for Kesler  
13 & Associates, indicated to the California Department of Insurance that Kesler & Associates  
14 contacted Allstate Insurance Company regarding the Corrigan's insurance policy wherein Allstate  
15 indicated that the policy in question was a homeowner policy and the Corrigan's Cadillac Deville  
16 was not covered under that policy.

17 49. Respondent FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY  
18 and/or JERROLD RANDOLPH YOUNG knowingly created and distributed a false certificate of  
19 insurance and in doing so committed a fraudulent act in violation of Section 1668(e), Section  
20 1668(i), Section 1668(j), Section 1668(k), Section 1668.5(a)(1), Section 1668.5(a)(2), Section  
21 1668.5(a)(3), and Section 1668.5(a)(4) of the California Insurance Code. Furthermore,  
22 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
23 YOUNG INSURANCE AGENCY had a controlling person engaging in fraudulent conduct, in  
24 violation of Section 1668.5(a)(1), Section 1668.5(a)(2), and Section 1668.5(a)(3) of the California  
25 Insurance Code.

26 c. Lawanda McClung Transaction

27 50. On or about February 11, 2002, Lawanda McClung used Respondent PELICAN  
28 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE

1 AGENCY's services to purchase a commercial general liability and property insurance policy  
2 from Scottsdale Insurance Company, a non-admitted insurer, for her tanning salon business, Sun  
3 Seekers. Sun Seekers was owned and operated by Ms. McClung and Evette Carpenter, her  
4 daughter and business partner. The policy was placed with Scottsdale Insurance Company by and  
5 through its agent, Primex Insurance Brokers, a division of Groninger & Co., Inc. The policy was  
6 listed under a policy number CPS 0480067 with an effective coverage period beginning February  
7 11, 2002 and ending February 11, 2003.

8 51. On or about January 22, 2003, Primex Insurance Brokers sent an expiration notice  
9 to Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
10 YOUNG INSURANCE AGENCY indicating that Lawanda McClung's insurance policy was due  
11 to expire. The notice included instructions for renewing Ms. McClung's insurance policy and  
12 requested an updated insurance application, premium deposit in the amount of six hundred  
13 seventy-nine dollars (\$679.00), a completed Terrorism Risk Insurance Act acceptance/rejection  
14 form, and a completed SL-2 Diligent Search Report. Respondent PELICAN BAY COMPANY,  
15 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY responded with  
16 a request that coverage be renewed.

17 52. On or about January 29, 2003, Primex Insurance Brokers sent a bind confirmation  
18 letter via facsimile to Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
19 YAMOR JACOB & YOUNG INSURANCE AGENCY indicating that Lawanda McClung's  
20 insurance policy with Scottsdale Insurance Company would be placed with an effective coverage  
21 period beginning February 11, 2003 and ending February 11, 2004 under a policy number  
22 CPS0543788. The notice made a second request to Respondent PELICAN BAY COMPANY,  
23 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY for an updated  
24 insurance application, premium deposit, a completed Terrorism Risk Insurance Act  
25 acceptance/rejection form, and a completed SL-2 Diligent Search Report.

26 53. On or about February 10, 2003, Lawanda McClung visited Respondent PELICAN  
27 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
28 AGENCY's place of business to make a premium payment towards her business' insurance

1 policy. Ms. McClung issued a check to "FYJY" in the amount of six hundred seventy-nine  
2 dollars and forty-one cents (\$679.41) as a premium payment towards her insurance policy. The  
3 check was later endorsed "Fraser Yamor Jacob & Young Insurance Agency" and deposited into  
4 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
5 YOUNG INSURANCE AGENCY's trust account at Tri-Counties Bank on or about March 21,  
6 2003.

7 54. On or about March 17, 2003, Respondent PELICAN BAY COMPANY, formerly  
8 DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY sent a letter via facsimile  
9 to Primex Insurance Brokers. The letter included a completed Terrorism Risk Insurance Act form  
10 and a completed SL-2 Diligent Search Report. The SL-2 Report bears the signature "Jerrold  
11 Young" under the heading "Signature of Licensee Who Performed or Supervised the Search" and  
12 is dated March 3, 2003. The SL-2 Report represents that Respondent JERROLD RANDOLPH  
13 YOUNG contacted California Insurance Company, Hartford Casualty Insurance, and Allied  
14 Insurance Company, all admitted insurers, wherein the insurance companies, and all of them,  
15 indicated that they would not provide insurance for Lawanda McClung's tanning salon business.  
16 Based on the receipt of these documents, Primex Insurance Brokers issued Ms. McClung an  
17 insurance policy on or about March 18, 2003.

18 55. In reality, Respondent JERROLD RANDOLPH YOUNG had never contacted any  
19 of the three the insurance companies referenced in Paragraph 54. In failing to do so, Respondent  
20 JERROLD RANDOLPH YOUNG failed to perform a diligent search for an admitted insurer in  
21 violation of Section 1763 of the California Insurance Code.

22 56. On or about March 21, 2003, Lawanda McClung issued a check to "FYJY" in the  
23 amount of one thousand five hundred thirty-six dollars and seventy-five cents (\$1,538.75) as a  
24 premium payment towards her insurance policy. The check was endorsed "FRASER YAMOR  
25 JACOB & YOUNG INSURANCE AGENCY" and deposited into Respondent PELICAN BAY  
26 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
27 trust account at Tri-Counties Bank on or about April 2, 2003.

28 57. On or about April 3, 2003, Primex Insurance Brokers sent a letter via facsimile to

1 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
2 YOUNG INSURANCE AGENCY requesting Lawanda McClung's premium deposit and her  
3 updated insurance policy application.

4 58. On or about April 23, 2003, Primex Insurance Brokers sent a letter via facsimile to  
5 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
6 YOUNG INSURANCE AGENCY requesting Lawanda McClung's premium deposit and an  
7 updated insurance policy application.

8 59. On or about April 30, 2003, Primex Insurance Brokers sent a notice of cancellation  
9 to Lawanda McClung and Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
10 YAMOR JACOB & YOUNG INSURANCE AGENCY indicating that Ms. McClung's insurance  
11 policy would terminate on June 4, 2003.

12 60. On or about May 7, 2003, Primex Insurance Brokers sent a letter via facsimile  
13 addressed to Respondent JERROLD RANDOLPH YOUNG indicating that Lawanda McClung's  
14 premium payment was thirty days past due. The letter requested a net premium of two thousand  
15 eleven dollars and twenty-six cents (\$2,011.26).

16 61. On or about May 10, 2003, Primex Insurance Brokers received the first page of an  
17 Accord Commercial Insurance Application sent via facsimile from Respondent PELICAN BAY  
18 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY.  
19 The application indicated "Fraser Yamor Jacob & Young" as the producer, "Lawanda McClung  
20 & Evette Carpenter DBA: Sun Seekers" as the applicant, and "Primex Insurance Brokers, Inc." as  
21 the carrier. The application indicates "Hair & Tanning Salon" as the policy requested, a proposed  
22 effective date of February 11, 2003 and a proposed expiration date of February 11, 2004. The  
23 signature "Lawanda McClung" appears under the heading "Applicant's Signature" and the  
24 signature "Jerry Young" appears under the heading "Producer's Signature".

25 62. In reality, Lawanda McClung never signed the application referenced in Paragraph  
26 61.

27 63. On or about May 16, 2003, Respondent JERROLD RANDOLPH YOUNG issued  
28 a check to Groninger & Company, Inc. in the amount of two thousand eleven dollars and twenty-

1 six cents (\$2,011.26) representing Lawanda McClung's premium deposit.

2 64. On or about May 19, 2003, Primex Insurance Brokers sent a letter via facsimile to  
3 Respondent FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY indicating they  
4 received the uncompleted Accord application referenced in Paragraph 61. The letter requested a  
5 fully completed application by June 4, 2003. Furthermore, Primex Insurance Brokers enclosed a  
6 blank insurance policy application with the letter.

7 65. On or about June 19, 2003, Scottsdale Insurance Company sent a notice to  
8 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
9 YOUNG INSURANCE AGENCY indicating that Lawanda McClung's insurance policy was  
10 effectively cancelled on June 4, 2003 as a result of never receiving a completed insurance policy  
11 application.

12 66. On or about July 14, 2003, Primex Insurance Company issued a check to  
13 Respondent FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY representing the  
14 return of Lawanda McClung's unearned premium payment in the amount of one thousand three  
15 hundred sixteen dollars and seventy-nine cents (\$1,316.79). The check was issued by Groninger  
16 & Co., Inc., Primex Insurance Company's parent company, payable to "Fraser Yamor Jacob Ins  
17 Agency". The check was endorsed "Fraser Yamor Jacob & Young Insurance Agency" and  
18 deposited into Respondent FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
19 trust account at Tri-Counties Bank on or about July 29, 2003. However, Ms. McClung never  
20 received the check.

21 67. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
22 JACOB & YOUNG INSURANCE AGENCY and/or Respondent JERROLD RANDOLPH  
23 YOUNG failed to remit the check referenced in Paragraph 66 to Lawanda McClung in violation  
24 of Section 1733 and Section 1734 of the California Insurance Code.

25 68. In or around February 2004, Lawanda McClung contacted Respondent JERROLD  
26 RANDOLPH YOUNG to determine the reason she had not received a notice of renewal on her  
27 insurance policy which was due to expire on February 11, 2004. Respondent JERROLD  
28 RANDOLPH YOUNG represented to Ms. McClung that Primex Insurance Company opted to not



1 renew the insurance policy because of the business' use of tanning beds.

2         69.     On or about February 25, 2004, Lawanda McClung visited Respondent PELICAN  
3 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
4 AGENCY's place of business and completed an insurance policy application with Century Surety  
5 Company. Ms. McClung issued a check to "FYJY" in the amount of one thousand dollars  
6 (\$1,000.00) as a premium payment towards her new insurance policy with Century Surety  
7 Company. The check was endorsed "Fraser Yamor Jacob & Young Insurance Agency" and  
8 deposited into Respondent FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
9 trust account at Tri-Counties Bank on or about March 2, 2004.

10         70.     From June 2003 through February 2004, Respondent PELICAN BAY  
11 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY  
12 and/or Respondent JERROLD RANDOLPH YOUNG failed to forward Scottsdale Insurance  
13 Company the requested documents necessary to issue Lawanda McClung an insurance policy,  
14 which exposed Ms. McClung to the risk of loss without insurance coverage in violation of  
15 Section 1668(j) and Section 1668(l) of the California Insurance Code.

16         d.     Cindy Patterson Transaction

17         71.     On or about May 17, 2002, Cindy Patterson used Respondent PELICAN BAY  
18 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
19 services to purchase an automobile insurance policy provided by Orion Auto Insurance, a division  
20 of Viking Insurance Company. The policy provided coverage for Ms. Patterson's 1993 Dodge  
21 Caravan. The policy was listed under a policy number 052895351 and an effective coverage  
22 period beginning May 17, 2002 and ending November 17, 2002.

23         72.     On or about June 14, 2002, Cindy Patterson added her 2000 Hyundai Elantra to  
24 her automobile insurance policy with Orion Auto Insurance with an effective coverage period  
25 beginning June 14, 2002 and ending November 17, 2002. Orion Auto Insurance never received  
26 any further requests to add additional vehicles to Ms. Patterson's policy.

27         73.     On or about June 19, 2002, Orion Auto Insurance sent a letter to Respondent  
28 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY indicating a premium payment

1 on Cindy Patterson's insurance policy in the amount of three hundred eighty-four dollars and  
2 seventy-nine cents (\$384.79) was due by June 30, 2002.

3 74. On or about July 22, 2002, Orion Auto Insurance received a payment of two  
4 hundred five dollars (\$205.00) from Respondent PELICAN BAY COMPANY, formerly DBA  
5 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY representing a premium  
6 payment towards Cindy Patterson's insurance policy.

7 75. On or about August 19, 2002, Orion Auto Insurance placed Cindy Patterson's  
8 automobile insurance policy on "inactive" status as a result of non-payment of premium. As a  
9 result, Orion Auto Insurance would honor the receipt of the premium payment referenced in  
10 Paragraph 73 and provide coverage under Ms. Patterson's policy until October 5, 2002, whereby  
11 the policy would prematurely terminate.

12 76. On or about September 6, 2002, Cindy Patterson visited Respondent PELICAN  
13 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
14 AGENCY's place of business. On that day, Ms. Patterson dealt with Respondent PAGE MARIE  
15 CASTRO. Ms. Patterson issued a check to Respondent PELICAN BAY COMPANY, formerly  
16 DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY in the amount of one  
17 hundred fifty dollars (\$150.00), representing a premium payment towards Ms. Patterson's  
18 automobile insurance policy. During the visit, Respondent PAGE MARIE CASTRO created and  
19 handed to Ms. Patterson an Insurance Identification Card which represented that Ms. Patterson's  
20 2000 Toyota Pickup was insured by "OrionAutoInsurance" under the policy number 052895351  
21 with an effective coverage period beginning September 5, 2002 and ending March 15, 2003.  
22 Later that day, Respondent PAGE MARIE CASTRO made a payment in the amount of one  
23 hundred fifty dollars (\$150.00) to Orion Auto Insurance representing a premium payment towards  
24 Ms. Patterson's insurance policy. However, because Ms. Patterson's insurance policy had been  
25 placed on an inactive status as of August 19, 2002, Orion did not accept the payment and instead  
26 issued a check payable to Ms. Patterson in the amount of one hundred fifty dollars (\$150.00)  
27 representing return of the attempted payment. The check was later endorsed "Cindy Patterson"  
28 and the amount was deposited into Respondent PELICAN BAY COMPANY, formerly DBA

1 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's trust account with Tri-Cities  
2 Bank on or about September 25, 2002.

3 77. In reality, neither Respondent FRASER YAMOR JACOB & YOUNG  
4 INSURANCE AGENCY nor Respondent PAGE MARIE CASTRO had the authority to issue the  
5 Insurance Identification Card referenced in Paragraph 76 because Orion Auto Insurance indicated  
6 that Cindy Patterson's insurance policy would terminate on October 5, 2002 instead of March 15,  
7 2003 as indicated on the Insurance Identification Card.

8 78. On or about October 5, 2002, Orion Auto Insurance cancelled Cindy Patterson's  
9 automobile insurance policy as a result of non-payment of the balance of the premium.

10 79. From October 2002 until June 2003, Cindy Patterson made cash payments to  
11 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
12 YOUNG INSURANCE AGENCY towards the insurance policy with Orion Auto Insurance,  
13 under the mistaken belief that the policy was still in effect. During this period, Ms. Patterson paid  
14 a total of approximately one thousand dollars (\$1,000.00).

15 80. On or about January 20, 2003, Cindy Patterson contacted Respondent PAGE  
16 MARIE CASTRO and requested that Ms. Patterson's 2003 Dodge Neon be added to her  
17 insurance policy with Orion Auto Insurance, under the mistaken belief that she had an existing  
18 automobile insurance policy in effect. However, Respondent PAGE MARIE CASTRO never  
19 submitted this request to Orion Auto Insurance because no insurance policy was actually in effect.

20 81. On or about February 26, 2003, Cindy Patterson visited Respondent PELICAN  
21 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
22 AGENCY to make a premium payment, under the mistaken belief that she had an existing  
23 automobile insurance policy in effect. On that day, Ms. Patterson dealt with Respondent PAGE  
24 MARIE CASTRO. Respondent PAGE MARIE CASTRO created and handed Ms. Patterson two  
25 Insurance Identification Cards. The first card represented that Ms. Patterson's 2003 Dodge Neon  
26 was insured by "OrionAutoInsurance" under the policy number "TO BE DETERMINED" with  
27 an effective coverage period beginning February 26, 2003 and ending August 26, 2003. The  
28 second card represented identical insurance coverage for Ms. Patterson's 2000 Hyundai Elantra.

1           82.     In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
2 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
3 MARIE CASTRO had the authority to issue the two Insurance Identification Cards referenced in  
4 Paragraph 81 because no policy was actually in effect, in fact, Cindy Patterson's insurance policy  
5 had lapsed as of October 5, 2002 and had not been reinstated.

6           83.     On or about June 5, 2003, Cindy Patterson was involved in an automobile accident  
7 while driving her 2003 Dodge Neon. Ms. Patterson presented the Insurance Identification Card  
8 referenced in Paragraph 81 to the attending police officer. Immediately after the accident, Ms.  
9 Patterson contacted Viking Insurance Company to file a claim wherein Ms. Patterson discovered  
10 that she did not have an automobile insurance policy in effect.

11           84.     From October 2002 through June 2003, Respondent PELICAN BAY COMPANY,  
12 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
13 Respondent PAGE MARIE CASTRO failed to remit Cindy Patterson's premium to Viking  
14 Insurance Company, which exposed Ms. Patterson to the risk of loss without insurance coverage  
15 in violation of Section 1668(j), Section 1668(l), Section 1733, and Section 1734 of the California  
16 Insurance Code.

17           85.     Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
18 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
19 knowingly created and distributed a false certificate of insurance and in doing so committed a  
20 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
21 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
22 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
23 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
24 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
25 YOUNG INSURANCE AGENCY aided or abetted such conduct in violation of Section 1668(n)  
26 and Section 1668(o), Section 1668.5(a)(6), and Section 1668.5(a)(7) of the California Insurance  
27 Code.

28           e.     Carol Schauerma Transaction

1           86.     On or about June 28, 2002, Carol Schauerma n visited Respondent PELICAN BAY  
2 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
3 place of business to purchase an automobile insurance policy. On that day, Respondent PAGE  
4 MARIE CASTRO assisted Ms. Schauerma n in completing an automobile insurance policy  
5 application with California Capital Insurance Company. The application requested coverage for  
6 two of Ms. Schauerma n's automobiles with an affective coverage period beginning June 28, 2002  
7 and ending December 28, 2002. The total premium for the policy was seven hundred seventy-  
8 two dollars (\$772.00). The application indicates a policy number "PAC1048914". The  
9 application bears the signatures "Carol Schauerma n" and "PAGE MARIE CASTRO". Ms.  
10 Schauerma n. Ms. Schauerma n made a premium payment in cash to "FRASER YAMOR JACOB  
11 & YOUNG INSURANCE AGENCY" in the amount of one hundred dollars (\$100.00).

12           87.     On or about September 17, 2002, California Capital Insurance Company sent  
13 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
14 YOUNG INSURANCE AGENCY and Carol Schauerma n a notice indicating a balance of one  
15 hundred forty-nine dollars (\$149.00) was past due on Ms. Schauerma n's insurance policy.  
16 Furthermore, the notice warned that if California Capital Insurance Company did not receive said  
17 balance by October 1, 2002, Ms. Schauerma n's policy would be cancelled. Ms. Schauerma n  
18 immediately visited Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
19 YAMOR JACOB & YOUNG INSURANCE AGENCY's place of business to discuss the notice  
20 wherein Respondent PAGE MARIE CASTRO represented that the policy would not be cancelled.

21           88.     On or about October 1, 2002, California Capital Insurance Company cancelled  
22 Carol Schauerma n's automobile insurance policy as a result of non-payment of premium.

23           89.     On or about November 8, 2002, Carol Schauerma n visited Respondent PELICAN  
24 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
25 AGENCY's place of business to make a premium payment towards her automobile insurance  
26 policy, under the mistaken belief that the policy was in effect. Ms. Schauerma n issued a check  
27 (check number 8077) to "Ca. Cpt'l Insurance" in the amount of two hundred sixty-seven dollars  
28 (\$267.00) and handed the check to Respondent PAGE MARIE CASTRO. The check was never

1 remitted to California Capital Insurance Company and was never endorsed or deposited.

2       90.     On or about December 28, 2002, Carol Schauerman visited Respondent PELICAN  
3 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
4 AGENCY's place of business to make a premium payment towards her automobile insurance  
5 policy, under the mistaken belief that the policy was in effect. Ms. Schauerman issued a check  
6 (check number 8123) to "California Ins. Group" in the amount of two hundred twenty-seven  
7 dollars (\$227.00) and handed the check to Respondent PAGE MARIE CASTRO. The check was  
8 never remitted to California Capital Insurance Company and was never endorsed or deposited.  
9 During the visit, Respondent PAGE MARIE CASTRO created and handed to Ms. Schauerman an  
10 Insurance Identification Card which represented that Ms. Schauerman's Ford Focus was insured  
11 by "California Insurance Group" under the policy number 4-PAC-1-1048914 with an effective  
12 coverage period beginning December 28, 2002 and ending June 28, 2003.

13       91.     In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
14 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
15 MARIE CASTRO had the authority to issue the Insurance Identification Card referenced in  
16 Paragraph 90 because no policy was actually in effect, in fact, Carol Schauerman's insurance  
17 policy had lapsed as of October 1, 2002 and had not been reinstated.

18       92.     On or about January 29, 2003, Carol Schauerman visited Respondent PELICAN  
19 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
20 AGENCY's place of business. On that day, Ms. Schauerman dealt with Respondent PAGE  
21 MARIE CASTRO. Ms. Schauerman questioned whether she had a current automobile insurance  
22 policy in effect with California Capital Insurance Company because Ms. Schauerman had never  
23 received any correspondence regarding information to renew her insurance policy. Respondent  
24 PAGE MARIE CASTRO assisted Ms. Schauerman in completing a second automobile insurance  
25 policy application with California Capital Insurance Company which requested coverage for two  
26 of Ms. Schauerman's automobiles with an effective coverage period beginning January 29, 2003  
27 and ending July 29, 2003. The total premium for the policy was seven hundred eighty-five  
28 dollars (\$785.00). The application bears the signatures "Carol Schauerman" and "Page Castro".

1 Ms. Schauerman. Ms. Schauerman made a premium payment in cash to Respondent PELICAN  
2 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
3 AGENCY in the amount of two hundred sixty-five dollars (\$265.00).

4 93. From January 2003 through May 2003, Carol Schauerman made premium  
5 payments directly to Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
6 YAMOR JACOB & YOUNG INSURANCE AGENCY towards an insurance policy with  
7 California Capital Insurance Company which Ms. Schauerman mistakenly believed to be in  
8 effect. During this period, Ms. Schauerman paid approximately five hundred seventy-seven  
9 dollars (\$577.00) in premium payments. Ms. Schauerman contacted Respondent PAGE MARIE  
10 CASTRO on multiple occasions to express concern that she did not receive a renewal notice from  
11 California Capital Insurance Company wherein Respondent PAGE MARIE CASTRO represented  
12 to Ms. Schauerman that she had an insurance policy in effect.

13 94. On or about May 30, 2003, Carol Schauerman terminated her dealings with  
14 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
15 YOUNG INSURANCE AGENCY and sought the services of another insurance agency for her  
16 insurance needs.

17 95. In a letter dated July 1, 2003, Carlyn McBride, a representative of Respondent  
18 PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG  
19 INSURANCE AGENCY, indicated to Carol Schauerman that she had found two of Ms.  
20 Schauerman's checks (check numbers 8077, 8123) at the agency. Furthermore, the checks were  
21 enclosed in the letter.

22 96. From October 2002 through May 2003, Respondent PELICAN BAY COMPANY,  
23 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
24 Respondent PAGE MARIE CASTRO failed to remit Carol Schauerman's premium to California  
25 Capital Insurance Company, which exposed Ms. Jones to the risk of loss without insurance  
26 coverage in violation of Section 1668(j), Section 1668(l), Section 1733, and Section 1734 of the  
27 California Insurance Code.

28 97. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR

1 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
2 knowingly created and distributed a false certificate of insurance and in doing so committed a  
3 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
4 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
5 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
6 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
7 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
8 YOUNG INSURANCE AGENCY aided or abetted such conduct in violation of Section 1668(n)  
9 and Section 1668(o), Section 1668.5(a)(6), and Section 1668.5(a)(7) of the California Insurance  
10 Code.

11 f. Tamilyn Petty Transaction

12 98. In or around 2002, Tamilyn Petty used Respondent PELICAN BAY COMPANY,  
13 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's services to  
14 obtain an automobile insurance policy (policy number 4-PAC-1-960500) with California Capital  
15 Insurance Company. The policy provided coverage for Ms. Petty's 1986 Ford Bronco.

16 99. On or about January 8, 2003, Tamilyn Petty purchased a 1994 GMC Suburban  
17 from Coast Auto Center, Inc. Ms. Petty requested that the dealer send a letter via facsimile to  
18 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
19 YOUNG INSURANCE AGENCY containing the information necessary to add the 1994 GMC  
20 Suburban to Ms. Petty's insurance policy with California Capital Insurance Company.

21 100. On or about January 29, 2003, Tamilyn Petty sold her 1986 Ford Bronco. Later  
22 that day, Ms. Petty left a telephone message for Respondent PAGE MARIE CASTRO requesting  
23 that the 1986 Ford Bronco be removed from her automobile insurance policy with California  
24 Capital Insurance Company.

25 101. From January 2003 to April 2003, Tamilyn Petty contacted Respondent PAGE  
26 MARIE CASTRO multiple times to confirm the addition of her 1994 GMC Suburban and  
27 removal of her 1986 Ford Bronco to her automobile insurance policy with California Capital  
28 Insurance Company. Respondent PAGE MARIE CASTRO represented that the changes had



1 been submitted to California Capital Insurance Company and that the changes required time to  
2 become effective. Furthermore, Respondent PAGE CASTO represented that she would send Ms.  
3 Petty a proof of insurance card for the 1994 GMC Suburban. However, Respondent PAGE  
4 MARIE CASTRO never sent said card.

5 102. On or about April 21, 2003, California Capital Insurance Company received a  
6 letter from Tamilyn Petty inquiring as to whether the changes in her automobile insurance policy  
7 had taken place. The letter also requested a proof of insurance card.

8 103. On or about June 2, 2003, Tamilyn Petty contacted California Capital Insurance  
9 Company to discuss the status of her automobile insurance policy. The representative at  
10 California Capital Insurance Company contacted Respondent PELICAN BAY COMPANY,  
11 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and spoke with  
12 "Bernice", whom the representative believed to be an insurance agent, wherein "Bernice"  
13 indicated that she would take care of the situation.

14 104. On or about June 3, 2003, Tamilyn Petty visited Respondent PELICAN BAY  
15 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
16 place of business to confirm that her 1994 GMC Suburban had been added to her automobile  
17 insurance policy with California Capital Insurance Company. On that day, Ms. Petty dealt with  
18 America Bernice Valencia, an employee of Respondent PELICAN BAY COMPANY, formerly  
19 DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY, who is unlicensed to  
20 transact insurance in California. Ms. Valencia used Respondent PAGE MARIE CASTRO's  
21 terminal and/or login information to complete a Personal Auto Policy Change Request form  
22 indicating "California Insurance Group" as the insurance company, "4-PAC-1-960500" as the  
23 policy number, and "Tamilyn and William Petty" as the insured. The form requests that a 1986  
24 Ford Bronco be removed from the policy and a 1994 GMC be added to the policy with an  
25 effective modification date of January 13, 2003. The name "PAGE MARIE CASTRO" appears  
26 in print under the heading "PRODUCER'S SIGNATURE". Ms. Valencia immediately sent the  
27 form via facsimile to California Capital Insurance Company.

28 105. In completing and submitting a form which modified the terms of an insurance

1 policy, America Valencia transacted insurance without an insurance licensee in violation of  
2 Section 35 and Section 1666 et seq. of the California Insurance Code. Furthermore, in possessing  
3 full knowledge of Ms. Valencia's completion and submission of a modification to an insurance  
4 policy and without directly supervising such activity, Respondent JERROLD RANDOLPH  
5 YOUNG aided and abetted an unlicensed transaction in violation of Section 35, Section  
6 1668.5(a)(6), and Section 1668(a)(7), of the California Insurance Code.

7 106. From January 2003 through June 2003, Respondent PELICAN BAY COMPANY,  
8 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
9 Respondent PAGE MARIE CASTRO failed to forward California Capital Insurance Company  
10 the request to add Tamilyn Petty's 1994 GMC Suburban to her insurance policy, which exposed  
11 Ms. Jones to the risk of loss without insurance coverage in violation of Section 1668(j) and  
12 Section 1668(l) of the California Insurance Code.

13 g. Rosalind Jones Transaction

14 107. On or about July 29, 2002, Rosalind Jones visited Respondent PELICAN BAY  
15 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
16 place of business to purchase a homeowner's insurance policy for her mobile home. On that day,  
17 Ms. Jones dealt with Respondent PAGE MARIE CASTRO. Respondent PAGE MARIE  
18 CASTRO assisted Ms. Jones in completing a homeowner's insurance policy application with  
19 Foremost Insurance Group. The application indicates a "1989 Redman" as the mobile home to be  
20 insured, an effective coverage period beginning July 29, 2002 and ending July 29, 2003, and a  
21 total premium of four hundred eighty-nine dollars (\$489.00). The application bears the signatures  
22 "Rosalind Jones" and "Page Castro". Ms. Jones made a cash payment to Respondent PELICAN  
23 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
24 AGENCY in the amount of two hundred fifty dollars (\$250.00) as an initial premium payment.

25 108. On or about September 3, 2002, Foremost Insurance Group sent an invoice to  
26 Rosalind Jones indicating an unpaid balance of four hundred eighty-nine dollars (\$489.00) was  
27 past due since August 28, 2002. The notice indicated that Ms. Jones' policy would be cancelled  
28 if Foremost Insurance Group did not receive the payment by September 18, 2002. Ms. Jones

1 immediately contacted Respondent PAGE MARIE CASTRO regarding the notice, wherein  
2 Respondent PAGE MARIE CASTRO represented that she would take care of the situation.

3 109. On or about September 30, 2002, Foremost Insurance Group cancelled Rosalind  
4 Jones' homeowner's insurance policy as a result of non-payment of premium. The cancellation  
5 had an effective date of July 29, 2002. However, Ms. Jones was unaware of said cancellation.

6 110. In or around March 2003, Rosalind Jones contacted Foremost Insurance Group to  
7 determine the reason she had never received correspondence regarding her homeowner's  
8 insurance policy or any information on renewing her policy wherein Ms. Jones discovered that  
9 her homeowner's insurance policy had lapsed as of July 29, 2002.

10 111. On or about April 3, 2003, Rosalind Jones visited Respondent PELICAN BAY  
11 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
12 place of business to discuss the status of her insurance policy. On that day, Ms. Jones dealt with  
13 Carlyn McBride, an employee of Respondent PELICAN BAY COMPANY, formerly DBA  
14 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY. Ms. McBride confirmed that  
15 Ms. Jones' insurance policy had been cancelled effective July 29, 2002. Furthermore, Ms.  
16 McBride credited Ms. Jones with two hundred fifty dollars (\$250.00) towards the purchase of a  
17 new insurance policy.

18 112. From July 2002 through April 2003, Respondent PELICAN BAY COMPANY,  
19 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
20 Respondent PAGE MARIE CASTRO failed to remit Rosalind Jones' premium to Foremost  
21 Insurance Group, which exposed Ms. Jones to the risk of loss without insurance coverage in  
22 violation of Section 1668(j), Section 1668(l), Section 1733, and Section 1734 of the California  
23 Insurance Code.

24 113. In a letter dated July 15, 2005, Kimberly Williams, Collections Specialist for  
25 Foremost Insurance Group, indicated to the California Department of Insurance that Foremost  
26 Insurance Group had issued Rosalind Jones a homeowner's insurance policy with an effective  
27 coverage date beginning July 29, 2002 and ending July 29, 2003. Ms. Williams indicated that the  
28 policy had an effective cancel date of July 29, 2002 as a result of non-payment of premium.

1           h.       Carolyn Brown Transaction

2           114.   On or about February 28, 2003, Carolyn Brown visited Respondent PELICAN  
3 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
4 AGENCY's place of business to purchase a one year automobile insurance policy for her 1993  
5 Chevrolet Astro van. On this day, Ms. Brown dealt with Respondent PAGE MARIE CASTRO.  
6 Ms. Brown witnessed Respondent PAGE MARIE CASTRO prepare an Insurance Identification  
7 Card indicating that Workmen's Auto Insurance Company would insure Ms. Brown's 1993  
8 Chevrolet Astro van from February 28, 2003 until February 28, 2004. The Card bears a policy  
9 number "TO BE DETERMINED" and an issuing agency "Fraser Yamor Jacob & Young". Ms.  
10 Brown made a cash payment to Respondent PELICAN BAY COMPANY, formerly DBA  
11 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY in the amount of eight hundred  
12 fifty dollars (\$850.00) representing a premium payment.

13           115.   In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
14 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
15 MARIE CASTRO had the authority to issue the Insurance Identification Card referenced in  
16 Paragraph 114 because no insurance policy was in effect during the effective coverage period  
17 listed on the Card, in fact, Workmen's Auto Insurance Company had never issued Carolyn Brown  
18 an insurance policy.

19           116.   In or around June 2003, Carolyn Brown visited Respondent PELICAN BAY  
20 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
21 place of business to determine the reason she had not received any invoices or correspondence  
22 from Workmen's Auto Insurance Co. On that day, Ms. Brown dealt with Barbara Blankenship,  
23 an employee of Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
24 JACOB & YOUNG INSURANCE AGENCY, wherein Ms. Blankenship indicated that Ms.  
25 Brown did not have a current insurance policy in effect with Workmen's Auto Insurance Co.

26           117.   From February 2003 through June 2003, Respondent PELICAN BAY  
27 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY  
28 and/or Respondent PAGE MARIE CASTRO failed to remit Carolyn Brown's premium to

1 Workmen's Auto Insurance Company, which exposed Ms. Brown to the risk of loss without  
2 insurance coverage in violation of Section 1668(j), Section 1668(l), Section 1733, and Section  
3 1734 of the California Insurance Code.

4 118. In a letter dated February 18, 2005, Theodore W. Budlong, Vice President of  
5 Workmen's Auto Insurance Company, indicated to the California Department of Insurance that  
6 there are no records showing that Workmen's Auto Insurance Company had ever provided Ms.  
7 Brown with automobile insurance.

8 119. On or about June 2, 2003, Respondent PELICAN BAY COMPANY, formerly  
9 DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY issued a check to  
10 Carolyn Brown in the amount of four hundred ninety-eight dollars and ninety-four cents  
11 (\$498.94) representing a partial refund of Ms. Brown's premium payment to the agency. Ms.  
12 Brown agreed to apply the remainder of the premium refund towards a new insurance policy.

13 120. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
14 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
15 knowingly created and distributed a false certificate of insurance and in doing so committed a  
16 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
17 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
18 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
19 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
20 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
21 YOUNG INSURANCE AGENCY aided or abetted such conduct in violation of Section 1668(n)  
22 and Section 1668(o), Section 1668.5(a)(6), and Section 1668.5(a)(7) of the California Insurance  
23 Code.

24 i. Jose and Ester Cortez Transaction

25 121. On or about April 10, 2002, Jose Cortez used Respondent PELICAN BAY  
26 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
27 services to purchase an automobile insurance policy. Viking Insurance Company, a parent  
28 company of Orion Auto Insurance, issued the policy (policy number 052879782) which provided

1 coverage for Mr. Cortez' 2001 Chevrolet Cavalier.

2 122. On or about November 19, 2002, Viking Insurance Company cancelled Jose  
3 Cortez' insurance policy as a result of nonpayment of premium.

4 123. On or about December 16, 2002, Jose Cortez visited Respondent PELICAN BAY  
5 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
6 place of business, under the mistaken belief that he had an insurance policy in effect. On that  
7 day, Mr. Cortez dealt with Respondent PAGE MARIE CASTRO. Respondent PAGE MARIE  
8 CASTRO recommended that Mr. Cortez change insurance companies from Viking Insurance  
9 Company to Omni Insurance Company, a subsidiary of The Hartford Insurance Company. Mr.  
10 Cortez agreed and Omni Insurance Company issued Mr. Cortez a policy (policy number PA  
11 038984 01) providing coverage for Mr. Cortez' 2001 Chevrolet Cavalier with an effective  
12 coverage period beginning December 16, 2002 and ending December 16, 2003. The total  
13 premium of the policy was seven hundred forty dollars (\$740.00). Mr. Cortez made a payment of  
14 ninety-three dollars and seventy cents (\$93.70) to Respondent PELICAN BAY COMPANY,  
15 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY representing an  
16 initial premium payment towards the insurance policy.

17 124. On or about January 3, 2003, Jose Cortez received a notice from The Hartford  
18 Insurance Company indicating that his automobile insurance policy would be effectively  
19 cancelled on January 15, 2003. The notice indicated that the reason for cancellation was a result  
20 of nonpayment of premium. Ester Cortez, Mr. Cortez' wife, immediately visited Respondent  
21 PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG  
22 INSURANCE AGENCY's place of business to discuss the notice wherein Respondent PAGE  
23 MARIE CASTRO represented that the Cortez's would still have automobile insurance.

24 125. On or about January 15, 2003, The Hartford Insurance Company cancelled Jose  
25 Cortez' automobile insurance policy.

26 126. On or about February 21, 2003, Jose Cortez received an Order of Suspension from  
27 the California Department of Motor Vehicles, effectively suspending Mr. Cortez' privilege to  
28 operate a motor vehicle. The notice indicates the reason for the suspension is due to Mr. Cortez

1 not possessing a current automobile insurance policy in effect. The notice indicated that the  
2 Order of Suspension could be removed if Mr. Cortez provided the Department of Motor Vehicles  
3 with proof of insurance coverage.

4 127. On or about March 14, 2003, Jose Cortez visited Respondent PELICAN BAY  
5 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
6 place of business to discuss the status of his automobile insurance policy. On that day, Mr.  
7 Cortez dealt with Respondent PAGE MARIE CASTRO. Mr. Cortez made a premium payment in  
8 cash to Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
9 YOUNG INSURANCE AGENCY in the amount of one hundred eighty dollars (\$180.00).  
10 Respondent PAGE MARIE CASTRO completed and handed Mr. Cortez a receipt indicating  
11 payment was received in consideration for an insurance policy with "Orion Auto Insurance" with  
12 a policy number "TO BE DETERMINED". Respondent PAGE MARIE CASTRO completed  
13 and handed Mr. Cortez an Insurance Identification Card representing that Mr. Cortez' 2001  
14 Chevy Cavalier was insured by Orion Auto Insurance under a policy number "TO BE  
15 DETERMINED" with an effective coverage period beginning March 13, 2003 and ending  
16 September 13, 2003.

17 128. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
18 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
19 MARIE CASTRO had the authority to issue the Insurance Identification Card referenced in  
20 Paragraph 127 because no insurance policy was in effect during the effective coverage period  
21 listed on the Certificate.

22 129. In or around May 2003, Jose Cortez visited the Department of Motor Vehicles and  
23 presented the attending clerk the Insurance Identification Card, referenced in Paragraph 127, for  
24 the purpose of removing the Order of Suspension issued against him. The clerk called  
25 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
26 YOUNG INSURANCE AGENCY to determine the validity of the Insurance Identification Card  
27 whereby the employee at Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
28 YAMOR JACOB & YOUNG INSURANCE AGENCY could not verify that Mr. Cortez had an

1 automobile insurance policy in effect.

2 130. From January 2003 through May 2003, Respondent PELICAN BAY COMPANY,  
3 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
4 Respondent PAGE MARIE CASTRO failed to remit Jose Cortez' premium to California Capital  
5 Insurance Company, which exposed Mr. Cortez to the risk of loss without insurance coverage in  
6 violation of Section 1668(j), Section 1668(l), Section 1733, and Section 1734 of the California  
7 Insurance Code.

8 131. On or about May 28, 2003, Jose Cortez visited Respondent PELICAN BAY  
9 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
10 place of business to discuss the status of his insurance coverage. On that day, Mr. Cortez dealt  
11 with Barbara Blankenship, an employee of Respondent PELICAN BAY COMPANY, formerly  
12 DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY. Ms. Blankenship  
13 verified that Mr. Cortez did not have an insurance policy in effect. As a courtesy, Respondent  
14 PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG  
15 INSURANCE AGENCY refunded Mr. Cortez for three months of insurance premiums of which  
16 Mr. Cortez applied towards a new insurance policy.

17 132. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
18 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
19 knowingly created and distributed a false certificate of insurance and in doing so committed a  
20 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
21 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
22 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
23 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
24 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
25 YOUNG INSURANCE AGENCY aided or abetted such conduct in violation of Section 1668(n)  
26 and Section 1668(o), Section 1668.5(a)(6), and Section 1668.5(a)(7) of the California Insurance  
27 Code.

28 j. Lynette McPherson Transaction



1           133. On or about February 28, 2003, Lynette McPherson visited Respondent PELICAN  
2 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
3 AGENCY's place of business to purchase an automobile insurance policy. On that day, Ms.  
4 McPherson dealt with Respondent PAGE MARIE CASTRO. Respondent PAGE MARIE  
5 CASTRO provided Ms. McPherson with a rate quote from California Capital Insurance Company  
6 indicating a total premium of one thousand twenty one dollars (\$1021.00) for an effective  
7 coverage period beginning February 28, 2003 and ending August 28, 2003. The proposed policy  
8 would insure Ms. McPherson, her husband, and her son as drivers for the McPhersons' three  
9 automobiles. Ms. McPherson issued a check to Respondent FRASER YAMOR JACOB &  
10 YOUNG INSURANCE AGENCY in the amount of three hundred forty-one dollars (\$341.00)  
11 representing the initial premium payment towards the insurance policy. Respondent PAGE  
12 MARIE CASTRO completed and handed Ms. McPherson an Insurance Identification Card which  
13 represented that Ms. McPherson's 1993 Ford Escort was insured by California Capital Insurance  
14 Company with a policy number "TO BE DETERMINED" and an effective coverage period  
15 beginning February 28, 2003 and ending August 28, 2003. However, the application was never  
16 submitted to California Capital Insurance Company and no insurance policy was issued.

17           134. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
18 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
19 MARIE CASTRO had the authority to issue the Insurance Identification Card referenced in  
20 Paragraph 133 because no policy was actually in effect, in fact, California Capital Insurance  
21 Company had never issued an insurance policy to Lynette McPherson.

22           135. From March 2003 through May 2003, Lynette McPherson contacted Respondent  
23 PAGE MARIE CASTRO on multiple occasions to determine the reason why Ms. McPherson had  
24 not yet received any correspondence from California Capital Insurance Company wherein  
25 Respondent PAGE MARIE CASTRO represented that she would take care of the situation.

26           136. On or about May 25, 2003, Lynette McPherson left a telephone message for  
27 Respondent JERROLD RANDOLPH YOUNG in an attempt to determine the status of her  
28 insurance policy with California Capital Insurance Company. Respondent JERROLD

1 RANDOLPH YOUNG contacted Ms. McPherson and represented that he would look into the  
2 matter.

3 137. On or about May 30, 2003, Lynette McPherson terminated her business dealings  
4 with Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
5 YOUNG INSURANCE AGENCY and found another insurance agency.

6 138. From February 2003 through May 2003, Respondent PELICAN BAY  
7 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY  
8 and/or Respondent PAGE MARIE CASTRO failed to remit Lynette McPherson's premium to  
9 California Capital Insurance Company, which exposed Ms. McPherson to the risk of loss without  
10 insurance coverage in violation of Section 1668(j), Section 1668(l), Section 1733, and Section  
11 1734 of the California Insurance Code.

12 139. On or about July 22, 2003, Respondent MARGARET MARY YOUNG contacted  
13 Lynette McPherson and indicated that Ms. McPherson's check, referenced in Paragraph 133, was  
14 never cashed and that she would stop the payment on Ms. McPherson's check.

15 140. In a letter dated December 13, 2004, Robert L. Wilkinson, Personal Lines  
16 Manager for California Capital Insurance Company, indicated to the California Department of  
17 Insurance that an automobile insurance policy was never issued to Lynette McPherson.

18 141. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
19 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
20 knowingly created and distributed a false certificate of insurance and in doing so committed a  
21 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
22 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
23 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
24 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
25 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
26 YOUNG INSURANCE AGENCY aided or abetted such conduct in violation of Section 1668(n)  
27 and Section 1668(o), Section 1668.5(a)(6), and Section 1668.5(a)(7) of the California Insurance  
28 Code.

1 k. Frank Gonzalez Transaction

2 142. On or about March 22, 1996, Frank Gonzalez used Respondent PELICAN BAY  
3 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
4 services to purchase a motorcycle insurance policy issued by Allstate Insurance. Mr. Gonzalez  
5 would make premium payments to Respondent PELICAN BAY COMPANY, formerly DBA  
6 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY.

7 143. On or about February 13, 2002, Allstate Insurance sent a Notice of Cancellation to  
8 Frank Gonzalez citing an unpaid balance on his policy's account of one hundred sixty-eight  
9 dollars and eighty-five cents (\$168.85). The Notice further indicated that if payment was not  
10 received by March 22, 2002, Mr. Gonzalez' motorcycle insurance policy would be cancelled for  
11 non-payment of premium.

12 144. On or about March 22, 2002, Allstate Insurance had only received one hundred  
13 eighteen dollars and eighty-five cents (\$118.85) towards Frank Gonzalez' motorcycle insurance  
14 policy. As a result of non-payment of premium, Allstate Insurance cancelled Mr. Gonzalez'  
15 policy.

16 145. On or about September 23, 2002, Frank Gonzalez visited Respondent PELICAN  
17 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
18 AGENCY's place of business to make a premium payment, under the mistaken belief that he had  
19 a current motorcycle insurance policy in effect. On that day, Mr. Gonzalez dealt with Respondent  
20 PAGE MARIE CASTRO. Mr. Gonzalez handed a check to Respondent PAGE MARIE  
21 CASTRO, payable to "Allstate" in the amount of one hundred thirty-eight dollars and forty cents  
22 (\$138.40).

23 146. On or about April 8, 2003, Frank Gonzalez visited Respondent PELICAN BAY  
24 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
25 place of business to make a premium payment, under the mistaken belief that he had a current  
26 motorcycle insurance policy in effect. On that day, Mr. Gonzalez dealt with Respondent PAGE  
27 MARIE CASTRO. Mr. Gonzalez made a cash payment in the amount of one hundred thirty-eight  
28 dollars and forty cents (\$138.40). During the visit, Respondent PAGE MARIE CASTRO created

1 and handed to Mr. Gonzalez an Insurance Identification Card which represented that Mr.  
2 Gonzalez' 1978 Harley Davidson was insured by "Allstate Insurance Company" under the policy  
3 number 037232468 with an effective coverage period beginning March 22, 2003 and ending  
4 September 22, 2003.

5 147. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
6 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
7 MARIE CASTRO had the authority to issue the Insurance Identification Card referenced in  
8 Paragraph 146 because no policy was actually in effect, in fact, Frank Gonzalez' insurance policy  
9 had lapsed on March 22, 2003 and had not been reinstated.

10 148. On or about September 18, 2003, Frank Gonzalez visited Respondent PELICAN  
11 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
12 AGENCY's place of business to make a premium payment, under the mistaken belief that he had  
13 a current motorcycle insurance policy in effect. On that day, Mr. Gonzalez dealt with Barbara  
14 Blankenship. Ms. Blankenship indicated to Mr. Gonzalez that he did not have a motorcycle  
15 insurance policy in effect. As a result, Respondent PELICAN BAY COMPANY, formerly DBA  
16 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY issued a check to Mr. Gonzalez  
17 in the amount of one hundred thirty-eight dollars and forty cents (\$138.40) representing a refund  
18 of the premium payments Mr. Gonzalez made to Respondent PELICAN BAY COMPANY,  
19 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY.

20 149. From March 2002 through September 2003, Respondent PELICAN BAY  
21 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY  
22 and/or Respondent PAGE MARIE CASTRO failed to remit Frank Gonzalez' premium to Allstate  
23 Insurance, which exposed Mr. Gonzalez to the risk of loss without insurance coverage in  
24 violation of Section 1668(j), Section 1668(l), Section 1668.5(a)(2), Section 1733, and Section  
25 1734 of the California Insurance Code.

26 150. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
27 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
28 knowingly created and distributed a false certificate of insurance and in doing so committed a

1 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
2 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
3 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
4 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
5 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
6 YOUNG INSURANCE AGENCY aided or abetted such conduct in violation of Section 1668(n)  
7 and Section 1668(o), Section 1668.5(a)(6), and Section 1668.5(a)(7) of the California Insurance  
8 Code.

9 1. Julie Adams-Loya Transaction

10 151. On or about June 20, 2002, Julie Adams-Loya visited Respondent PELICAN BAY  
11 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
12 place of business to purchase an automobile insurance policy. On that day, Ms. Adams-Loya  
13 dealt with Respondent PAGE MARIE CASTRO. Ms. Adams-Loya completed an insurance  
14 application with California Capital Insurance Company. The policy requested coverage for two  
15 of Ms. Adams-Loya's automobiles with an effective coverage period beginning June 20, 2002  
16 and ending December 20, 2003. The total premium of the policy was five hundred eighty-six  
17 dollars (\$586.00). The application bears the signatures "Julie Adams-Loya" and "Page Castro".  
18 Ms. Adams-Loya made a premium payment in cash to Respondent PELICAN BAY COMPANY,  
19 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY in the amount  
20 of two hundred forty dollars (\$240.00). However, the application was never submitted to  
21 California Capital Insurance Company and no insurance policy was issued.

22 152. On or about December 10, 2002, Julie Adams-Loya visited Respondent PELICAN  
23 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
24 AGENCY's place of business wherein she made a premium payment in cash to Respondent  
25 PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG  
26 INSURANCE AGENCY in the amount of two hundred forty dollars (\$240.00).

27 153. On or about January 20, 2003, Julie Adams-Loya purchased a 1999 Lincoln  
28 Navigator. Ms. Adams-Loya entered into a financing agreement to purchase the automobile

1 wherein Ms. Adams-Loya was required to obtain and maintain fire, theft, and collision coverage.  
2 Bank of America was the lien holder of the automobile pursuant to the financing agreement. The  
3 dealership contacted Respondent PAGE MARIE CASTRO to verify that Ms. Adams-Loya had a  
4 current automobile insurance policy in effect wherein Respondent PAGE MARIE CASTRO  
5 represented that there was a policy in effect.

6 154. On or about January 27, 2003, Julie Adams-Loya visited Respondent PELICAN  
7 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
8 AGENCY's place of business to obtain proof of insurance coverage for her 1999 Lincoln  
9 Navigator as required by her financing agreement. On that day, Ms. Adams-Loya dealt with  
10 Respondent PAGE MARIE CASTRO. Respondent PAGE MARIE CASTRO created and handed  
11 to Ms. Adams-Loya an Insurance Identification Card which represented that Ms. Adams-Loya's  
12 1999 Lincoln Navigator was insured by "California Insurance Group" under the policy number  
13 "TO BE DETERMINED" with an effective coverage period beginning December 2, 2002 and  
14 ending June 2, 2003.

15 155. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
16 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
17 MARIE CASTRO had the authority to issue the Insurance Identification Card referenced in  
18 Paragraph 154 because no policy was actually in effect, in fact, California Capital Insurance  
19 Company had never received the insurance application, referenced in Paragraph 151 that Julie  
20 Adams-Loya completed.

21 156. On or about May 21, 2003, Julie Adams-Loya visited Respondent PELICAN BAY  
22 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
23 place of business wherein she made a premium payment in cash to Respondent PELICAN BAY  
24 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY in  
25 the amount of three hundred eighty dollars (\$380.00).

26 157. Shortly after making the premium payment on May 21, 2003, Bank of America  
27 indicated to Julie Adams-Loya that it was purchasing forced insurance coverage upon the Lincoln  
28 Navigator because Bank of America was unable to verify that Ms. Adams had obtained insurance

1 coverage for the automobile. Ms. Adams-Loya immediately visited Respondent PELICAN BAY  
2 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
3 place of business to discuss the matter wherein a representative confirmed the lack of coverage.

4 158. From June 2002 through May 2003, Respondent PELICAN BAY COMPANY,  
5 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
6 Respondent PAGE MARIE CASTRO failed to remit Julie Adams-Loya's premium to California  
7 Capital Insurance Company, which exposed Ms. Adams-Loya to the risk of loss without  
8 insurance coverage in violation of Section 1668(j), Section 1668(l), Section 1733, and Section  
9 1734 of the California Insurance Code.

10 159. On or about June 4, 2003, Julie Adams-Loya received a letter from Respondent  
11 MARGARET MARY YOUNG regarding Ms. Adams-Loya's dealings with Respondent  
12 PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG  
13 INSURANCE AGENCY. Enclosed in the letter was a premium refund check issued to Ms.  
14 Adams-Loya in the amount of three hundred eighty dollars (\$380.00).

15 160. In a letter dated December 13, 2004, Robert L. Wilkinson, Personal Lines  
16 Manager for California Capital Insurance Company indicated to the California Department of  
17 Insurance that Julie Adams-Loya was never issued a policy. Furthermore, Mr. Wilkinson  
18 indicated that California Capital Insurance Company had never received Ms. Adams-Loya's  
19 application referenced in Paragraph 151.

20 161. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
21 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
22 knowingly created and distributed a false certificate of insurance and in doing so committed a  
23 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
24 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
25 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
26 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
27 Respondent FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY aided or abetted  
28 such conduct in violation of Section 1668(n) and Section 1668(o), Section 1668.5(a)(6), and

1 Section 1668.5(a)(7) of the California Insurance Code.

2 m. Connie Aldrich Transaction

3 162. On or about September 17, 2001, Connie Aldrich visited Respondent PELICAN  
4 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
5 AGENCY's place of business to purchase a homeowner's insurance policy for her home in  
6 Gasquet, California. On that day, Ms. Aldrich dealt with Respondent JERROLD RANDOLPH  
7 YOUNG. Ms. Aldrich purchased a homeowner's insurance policy from California Capital  
8 Insurance Company with an effective coverage period beginning September 25, 2001 and ending  
9 September 25, 2002. The homeowner's policy had a policy number 4-HOC-1-991142. The total  
10 premium of the policy was three hundred sixty-four dollars (\$364.00). Ms. Aldrich gave  
11 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
12 YOUNG INSURANCE AGENCY, a check (check number 2973) payable to "California Capital  
13 Insurance" in the amount of three hundred sixty-four dollars (\$364.00) representing a premium  
14 payment. The check was never endorsed or deposited. California Capital Insurance Company  
15 issued the policy to Ms. Aldrich. On a previous occasion, Ms. Aldrich had used Respondent  
16 PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG  
17 INSURANCE AGENCY's services to obtain insurance policies (account number 57 61293783)  
18 from The Hartford Insurance Company to provide coverage for her automobiles and home in  
19 Santa Rosa, California.

20 163. On or about September 25, 2001, Paulette Walker, a representative of California  
21 Capital Insurance Company, sent a letter via facsimile to Respondent PELICAN BAY  
22 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY  
23 indicating that Connie Aldrich's homeowner's insurance policy would be cancelled effective  
24 October 17, 2001. The letter indicated the reason for cancellation was because Ms. Aldrich's  
25 dwelling did not meet California Capital Insurance Company's "minimum eligibility  
26 requirements."

27 164. On or about October 2, 2001, California Capital Insurance Company sent a letter  
28 to Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &



1 YOUNG INSURANCE AGENCY and Connie Aldrich indicating that Ms. Aldrich's  
2 homeowners' insurance policy would be cancelled effective October 17, 2001.

3 165. On or about October 17, 2001, California Capital Insurance Company cancelled  
4 Connie Aldrich's homeowner's insurance policy. California Capital Insurance Company issued a  
5 check (check number 180451) payable to Ms. Aldrich in the amount of three hundred forty-three  
6 dollars (\$343.00) representing unearned premium on Ms. Aldrich's cancelled homeowner's  
7 policy. Per California Capital Insurance Company's policies, the check was sent to the Ms.  
8 Aldrich's insurance agent, Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
9 YAMOR JACOB & YOUNG INSURANCE AGENCY. Ms. Aldrich never received the check  
10 nor was the check endorsed or deposited.

11 166. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
12 JACOB & YOUNG INSURANCE AGENCY collected a check representing unearned premium  
13 and failed to remit that payment to Connie Aldrich in violation of Section 1733 and Section 1734  
14 of the California Insurance Code.

15 167. In September 2002, Connie Aldrich contacted Respondent PAGE MARIE  
16 CASTRO on multiple occasions to discuss the status of her homeowner's insurance policy with  
17 California Capital Insurance Company wherein Respondent PAGE MARIE CASTRO never  
18 provided Ms. Aldrich with an answer.

19 168. On or about October 3, 2002, Connie Aldrich called Respondent JERROLD  
20 RANDOLPH YOUNG to discuss the status of her homeowner's insurance policy with California  
21 Capital Insurance Company wherein Respondent JERROLD RANDOLPH YOUNG represented  
22 that he would look into the matter. Later that day, Ms. Aldrich mailed Respondent JERROLD  
23 RANDOLPH YOUNG two checks. The first check (check number 3225) was dated "10-9-02"  
24 and issued to "California Capital Insurance" in the amount of three hundred eighty-nine dollars  
25 (\$389.00) representing a premium payment towards Ms. Aldrich's homeowner's insurance policy  
26 for her home in Gasquet, California. The second check (check number 3226) was dated "10-9-  
27 02" and issued to "The Hartford" in the amount of one thousand sixty-six dollars and seventy-five  
28 cents (\$1066.75.00) representing a premium payment towards Ms. Aldrich's automobile and

1 homeowner's insurance policy. The checks were sent with a letter outlining the accounting  
2 method Ms. Aldrich used to compute the premium owed on both policies. Both of the checks  
3 were never endorsed or deposited.

4 169. Respondent JERROLD RANDOLPH YOUNG collected a check representing a  
5 premium payment towards an insurance policy which was not in effect, and failed to remit that  
6 payment back to Connie Aldrich in violation of Section 1733 and Section 1734 of the California  
7 Insurance Code.

8 170. On or about October 31, 2002, Connie Aldrich mailed Respondent JERROLD  
9 RANDOLPH YOUNG a check (check number 3234) payable to "The Hartford" in the amount of  
10 two hundred eighty-six dollars and twenty-five cents (\$286.25) representing a premium payment  
11 towards Ms. Aldrich's automobile and homeowner's insurance policies. The check was never  
12 endorsed or deposited.

13 171. Respondent JERROLD RANDOLPH YOUNG collected a check representing a  
14 premium payment towards an insurance policy which was not in effect, and failed to remit that  
15 payment back to Connie Aldrich in violation of Section 1733 and Section 1734 of the California  
16 Insurance Code.

17 172. In or around November 2002, Connie Aldrich contacted Respondent PAGE  
18 MARIE CASTRO about the three previously issued checks (check numbers 3225, 3226, 3234)  
19 having not yet been deposited. Respondent PAGE MARIE CASTRO represented that Ms.  
20 Aldrich had an effective insurance policy. Ms. Aldrich contacted Respondent JERROLD  
21 RANDOLPH YOUNG to discuss the issue wherein Respondent JERROLD RANDOLPH  
22 YOUNG assured Ms. Aldrich not to worry.

23 173. On or about December 4, 2002, Connie Aldrich visited Respondent PELICAN  
24 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
25 AGENCY's place of business to discuss the status of her homeowner's insurance policy with  
26 California Capital Insurance Company. On that day, Ms. Aldrich dealt with Respondent PAGE  
27 MARIE CASTRO. Respondent PAGE MARIE CASTRO created and handed to Ms. Aldrich an  
28 Evidence of Property Insurance certificate which represented that Ms. Aldrich's home in Gasquet,

1 California was insured by "California Insurance Group" under the policy number  
2 "4HOC1991142" with an effective coverage period beginning September 25, 2002 and ending  
3 September 25, 2003. The certificate bears the signature "Page Castro".

4 174. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
5 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
6 MARIE CASTRO had the authority to issue the Evidence of Property Insurance certificate  
7 referenced in Paragraph 173 because no policy was actually in effect, in fact, Connie Aldrich's  
8 insurance policy had lapsed as of October 17, 2001, and had not been reinstated.

9 175. On or about January 27, 2003, Connie Aldrich contacted California Capital  
10 Insurance Company wherein she discovered that the homeowner's insurance policy covering her  
11 home in Gasquet, California had been cancelled in or around October 2001. Later that day, Ms.  
12 Aldrich contacted The Hartford Insurance Company wherein she discovered that her  
13 homeowner's insurance policy for her home in Santa Rosa, California and her automobile  
14 insurance policy had been cancelled in or around September 2002.

15 176. From October 2001 through January 2003, Respondent PELICAN BAY  
16 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY  
17 and/or Respondent PAGE MARIE CASTRO failed to remit Connie Aldrich's premium to  
18 California Capital Insurance Company, which exposed Ms. Aldrich to the risk of loss without  
19 insurance coverage in violation of Section 1668(j), Section 1668(l), Section 1733, and Section  
20 1734 of the California Insurance Code.

21 177. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
22 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO  
23 knowingly created and distributed a false certificate of insurance and in doing so committed a  
24 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
25 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
26 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
27 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
28 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &

1 YOUNG INSURANCE AGENCY aided or abetted such conduct in violation of Section 1668(n)  
2 and Section 1668(o), Section 1668.5(a)(6), and Section 1668.5(a)(7) of the California Insurance  
3 Code.

4 n. Laurelle O'Brien Transaction

5 178. On or about June 1, 2002, Laurelle O'Brien and her live-in boyfriend Kelly Barker  
6 visited Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
7 YOUNG INSURANCE AGENCY's place of business to purchase an automobile insurance  
8 policy. On that day, the couple dealt with Respondent PAGE MARIE CASTRO. The couple  
9 completed an automobile insurance policy application with California Capital Insurance  
10 Company. The policy requested coverage for three of the couple's automobiles with an effective  
11 coverage period beginning June 1, 2002 and ending December 1, 2002. The total premium of the  
12 policy was nine hundred eighty-eight dollars (\$988.00). The application bears the signatures  
13 "Kelly F. Barker" and "Page Castro." Ms. O'Brien made a premium payment in cash to  
14 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
15 YOUNG INSURANCE AGENCY in the amount of three hundred dollars (\$300.00). However,  
16 the application was never submitted to California Capital Insurance Company and no insurance  
17 policy was issued.

18 179. From June 2002 to January 2003, Laurelle O'Brien contacted Respondent PAGE  
19 MARIE CASTRO on multiple occasions to express concern that she had not received any  
20 correspondence from California Capital Insurance Company regarding an insurance policy.  
21 Respondent PAGE MARIE CASTRO represented that since Ms. O'Brien made premium  
22 payments in cash directly to Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
23 YAMOR JACOB & YOUNG INSURANCE AGENCY, the agency had to issue checks to  
24 California Capital Insurance Company representing Ms. O'Brien's premium payments and that  
25 said checks were misplaced. Furthermore, Respondent PAGE MARIE CASTRO repeatedly  
26 assured Ms. O'Brien that there was coverage in effect.

27 180. On or about January 6, 2003, Laurelle O'Brien visited Respondent PELICAN  
28 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE

1 AGENCY's place of business to obtain proof of insurance coverage. On that day, Ms. O'Brien  
2 dealt with Respondent PAGE MARIE CASTRO. Respondent PAGE MARIE CASTRO created  
3 and handed to Ms. O'Brien an Insurance Identification Card which represented that Ms.  
4 O'Brien's 1999 Ford Escort was insured by "California Insurance Group" under the policy  
5 number "TO BE DETERMINED" with an effective coverage period beginning January 6, 2003  
6 and ending June 6, 2003.

7 181. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
8 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
9 MARIE CASTRO had the authority to issue the Insurance Identification Card referenced in  
10 Paragraph 180 because no policy was actually in effect, in fact, California Capital Insurance  
11 Company had never issued Laurelle O'Brien or Kelly Barker an insurance policy.

12 182. On or about January 24, 2003, Laurelle O'Brien and Kelly Barker visited  
13 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
14 YOUNG INSURANCE AGENCY's place of business to discuss the status of their insurance  
15 policy with California Capital Insurance Company. On that day, the couple dealt with  
16 Respondent PAGE MARIE CASTRO. The couple completed a second automobile insurance  
17 policy application with California Capital Insurance Company. The policy requested coverage for  
18 three of the couple's automobiles with an effective coverage period beginning January 24, 2003  
19 and ending July 24, 2003. The total premium of the policy was one thousand thirty-six dollars  
20 (\$1036.00). The application bears the signatures "Kelly F. Barker" and "Page Castro." Ms.  
21 O'Brien issued a check to Respondent FRASER YAMOR JACOB & YOUNG INSURANCE  
22 AGENCY in the amount of three hundred dollars (\$300.00) representing a premium payment.

23 183. On or about February 10, 2003, Laurelle O'Brien was involved in an automobile  
24 accident while driving her 1999 Ford Escort. Ms. O'Brien presented the Insurance Identification  
25 Card, referenced in Paragraph 180, to the attending police officer. The police officer expressed  
26 concern as to the validity of the Insurance Identification Card after noticing the policy number  
27 was listed as "TO BE DETERMINED". Ms. O'Brien immediately contacted Respondent PAGE  
28 MARIE CASTRO regarding the validity of the Insurance Identification Card wherein Respondent

1 PAGE MARIE CASTRO represented that the card was valid and that Ms. O'Brien had effective  
2 coverage.

3 184. On or about February 18, 2003, Laurelle O'Brien visited Respondent PELICAN  
4 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
5 AGENCY's place of business to obtain information needed to complete a Report of Traffic  
6 Accident Occurring in California form that Ms. O'Brien was required to submit to the California  
7 Department of Motor Vehicles. On that day, Respondent PAGE MARIE CASTRO assisted Ms.  
8 O'Brien in completing the form. Respondent PAGE MARIE CASTRO directed Ms. O'Brien to  
9 use an insurance policy number "4PAC1100809" and list "California Insurance Group" as the  
10 insurer.

11 185. In providing Laurelle O'Brien with a false policy number and representing that  
12 California Insurance Group provided said policy when in fact, California Capital Insurance Group  
13 had never issued Ms. O'Brien an insurance policy, Respondent PELICAN BAY COMPANY,  
14 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
15 Respondent PAGE MARIE CASTRO knowingly misrepresented the terms or effect of an  
16 insurance policy in violation of Section 1668(k) of the California Insurance Code.

17 186. On or about February 15, 2003, Laurelle O'Brien purchased a 2000 Ford Mustang.  
18 To purchase the automobile, Ms. O'Brien entered into a financing agreement which required her  
19 to maintain physical damage insurance for the automobile. A representative at the car dealership  
20 contacted Respondent PAGE MARIE CASTRO, wherein Respondent PAGE MARIE CASTRO  
21 represented that Ms. O'Brien had an effective automobile insurance policy. Shortly after  
22 purchasing the automobile, Ms. O'Brien visited Respondent PELICAN BAY COMPANY,  
23 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's place of  
24 business to obtain proof of insurance coverage for her 2000 Ford Mustang. On that day, Ms.  
25 O'Brien dealt with Respondent PAGE MARIE CASTRO. Respondent PAGE MARIE CASTRO  
26 created and handed to Ms. O'Brien an Insurance Identification Card which represented that Ms.  
27 O'Brien's 2000 Ford Mustang was insured by "California Insurance Group" under the policy  
28 number "4PAC1100809" with an effective coverage period beginning December 1, 2002 and

1 ending June 1, 2003.

2 187. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
3 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
4 MARIE CASTRO had the authority to issue the certificate of insurance referenced in Paragraph  
5 186 because no policy was actually in effect.

6 188. From March 2003 through April 2003, Laurelle O'Brien contacted Respondent  
7 PAGE MARIE CASTRO on multiple occasions to determine the status of her claim with  
8 California Capital Insurance Company regarding her 1999 Ford Escort damaged on February 10,  
9 2003. Respondent PAGE MARIE CASTRO explained that the status of the claim was in dispute.

10 189. On or about April 16, 2003, Laurelle O'Brien called California Capital Insurance  
11 Company and spoke Pat Adams, a customer service representative. Mr. Adams indicated to Ms.  
12 O'Brien that California Capital Insurance Company had never issued Ms. O'Brien an automobile  
13 insurance policy.

14 190. From June 2002 through April 2003, Respondent PELICAN BAY COMPANY,  
15 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
16 Respondent PAGE MARIE CASTRO failed to remit Laurelle O'Brien's premium to California  
17 Capital Insurance Company, which exposed the Ms. O'Brien to the risk of loss without insurance  
18 coverage in violation of Section 1668(j), Section 1668(l), Section 1733, and Section 1734 of the  
19 California Insurance Code.

20 191. On or about April 15, 2003, California Capital Insurance Company issued Laurelle  
21 O'Brien an automobile insurance policy and as a courtesy, backdated the effective coverage  
22 period to provide coverage for Ms. O'Brien's damaged 1999 Ford Escort.

23 192. In a letter dated October 20, 2005, Kim Wishart, Underwriting Support Supervisor  
24 for California Capital Insurance Company, indicated to the California Department of Insurance  
25 that there are no records of California Capital Insurance Company ever issuing Laurelle O'Brien  
26 a policy under the number 4-PAC-1-100809.

27 193. Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
28 JACOB & YOUNG INSURANCE AGENCY and/or Respondent PAGE MARIE CASTRO

1 knowingly created and distributed a false certificate of insurance and in doing so committed a  
2 fraudulent act in violation of Section 1668(e), Section 1668(i), Section 1668(j), and Section  
3 1668(k), of the California Insurance Code. Furthermore, by providing Respondent PAGE  
4 MARIE CASTRO with the means to create the false certificate of insurance, Respondent  
5 JERROLD RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and/or  
6 Respondent FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY aided or abetted  
7 such conduct in violation of Section 1668(n) and Section 1668(o), Section 1668.5(a)(6), and  
8 Section 1668.5(a)(7) of the California Insurance Code.

9 o. Tanya Pingree Transaction

10 194. On or about June 27, 2002, Tanya Pingree visited Respondent PELICAN BAY  
11 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
12 place of business to purchase an automobile insurance policy. On that day, Ms. Pingree dealt  
13 with Respondent PAGE MARIE CASTRO. Ms. Pingree completed an insurance policy  
14 application with California Capital Insurance Company. The application requested coverage for  
15 Ms. Pingree's 1994 Ford Aerostar and 1994 Toyota Pickup with an effective coverage period  
16 beginning June 27, 2002 and ending December 27, 2002. The total premium on the policy was  
17 three hundred sixty-eight dollars (\$368.00). The application bears the signatures "Tanya Pingree"  
18 and "PAGE MARIE CASTRO". Ms. Pingree handed Respondent PAGE MARIE CASTRO a  
19 check (check number 1016) in the amount of one hundred twenty-four dollars (\$124.00)  
20 representing an initial premium payment towards the policy. California Capital Insurance  
21 Company received the application and issued Ms. Pingree a policy.

22 195. On or about August 13, 2002, California Capital Insurance Company issued a  
23 notice to Tanya Pingree indicating that the check she issued, referenced in Paragraph 194, was  
24 returned due to non-sufficient funds. Furthermore, the notice indicated that if California Capital  
25 Insurance Company did not receive a payment of three hundred sixty-seven dollars (\$367.00) by  
26 August 27, 2002, Ms. Pingree's policy would be cancelled.

27 196. On or about August 27, 2002, California Capital Insurance Company cancelled  
28 Tanya Pingree's automobile insurance policy.



1           197. On or about September 12, 2002, Tanya Pingree visited Respondent PELICAN  
2 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
3 AGENCY's place of business to discuss her insurance policy. On that day, Ms. Pingree dealt  
4 with Respondent PAGE MARIE CASTRO. Respondent PAGE MARIE CASTRO represented  
5 that she could back date the day the agency received the check in an attempt to show that the  
6 check was received before the date of cancellation. Ms. Pingree handed Respondent PAGE  
7 MARIE CASTRO a check (check number 1124) in the amount of four hundred eight dollars  
8 (\$408.00) representing the previous and current term premium payment. Respondent PAGE  
9 MARIE CASTRO prepared and gave Ms. Pingree a receipt representing receipt of the check  
10 allegedly on August 20, 2002. Said check was never deposited.

11           198. In backdating the receipt of Tanya Pingree's check before the date that Ms.  
12 Pingree's insurance policy was cancelled, Respondent PELICAN BAY COMPANY, formerly  
13 DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or Respondent  
14 PAGE MARIE CASTRO engaged in a fraudulent act in violation of Section 1668(i) of the  
15 California Insurance Code.

16           199. Between September 2002 and March 2003, Tanya Pingree contacted Respondent  
17 PAGE MARIE CASTRO on multiple occasions regarding the status of her automobile insurance  
18 policy wherein Respondent PAGE MARIE CASTRO represented that there was no problem.

19           200. On or about March 6, 2003, Daniel Pingree, Tanya Pingree's husband who was  
20 included as an insured driver under her automobile insurance policy, was involved in an  
21 automobile accident while driving the 1994 Toyota Pickup.

22           201. On or about March 10, 2003, Tanya Pingree obtained an estimate to repair her  
23 damaged Toyota Pickup from Long's Autobody Repair Shop in the amount of four thousand  
24 eight hundred twenty-three dollars and thirty-eight cents (\$4,823.38). Ms. Pingree contacted  
25 Respondent PAGE MARIE CASTRO wherein Respondent PAGE MARIE CASTRO represented  
26 that the repair would be covered by California Capital Insurance Company.

27           202. On or about September 29, 2003, California Capital Insurance Company decided  
28 to issue Tanya Pingree an automobile insurance policy. As a courtesy, California Capital

1 Insurance Company backdated the effective coverage period of the policy in order to cover the  
2 repair of Ms. Pingree's damaged Toyota Pickup.

3 203. From August 2002 through September 2003, Respondent PELICAN BAY  
4 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY  
5 and/or Respondent PAGE MARIE CASTRO failed to remit Tanya Pingree's premium to  
6 California Capital Insurance Company, which exposed Ms. Pingree to the risk of loss without  
7 insurance coverage in violation of Section 1668(j), Section 1668(l), Section 1733, and Section  
8 1734 of the California Insurance Code.

9 p. Jaime Ramirez Transaction

10 204. In or around 1996, Jaime Ramirez purchased automobile insurance, for his 1996  
11 Ford Windstar, with Orion Auto Insurance, a subsidiary of Viking Insurance Company, using  
12 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
13 YOUNG INSURANCE AGENCY's services. Orion Auto Insurance billed Mr. Ramirez once  
14 every three months for his automobile insurance. Mr. Ramirez made periodic premium payments  
15 in cash directly to Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
16 JACOB & YOUNG INSURANCE AGENCY.

17 205. On or about September 2, 2002, Jaime Ramirez visited Respondent PELICAN  
18 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE  
19 AGENCY's place of business to make a payment on his automobile insurance policy, extending  
20 coverage for the next three months. On this day, Mr. Ramirez dealt with Respondent PAGE  
21 MARIE CASTRO. Mr. Ramirez paid in cash in the amount of three hundred eighty dollars  
22 (\$380.00) wherein he was given a receipt of payment. Respondent PAGE MARIE CASTRO  
23 gave Mr. Ramirez a receipt verifying that the premium payment was made towards a policy with  
24 "OrionAutoInsurance" with a policy number "TO BE DETERMINED".

25 206. On or about October 31, 2002, Orion Auto Insurance cancelled Jamie Ramirez'  
26 automobile insurance policy as a result of nonpayment of premium.

27 207. On or about December 3, 2002, Jaime Ramirez visited Respondent PELICAN  
28 BAY COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE

1 AGENCY's place of business to make a payment on his automobile insurance policy, effectively  
2 extending coverage for the next three months, under the mistaken belief that he had an insurance  
3 policy in effect. On this day, Mr. Ramirez dealt with Respondent PAGE MARIE CASTRO. Mr.  
4 Ramirez was prepared to make a cash payment in the amount of three hundred eighty dollars  
5 (\$380.00) wherein Respondent PAGE MARIE CASTRO represented that Mr. Ramirez could  
6 obtain an additional three months of coverage for an additional one hundred dollars (\$100.00), in  
7 essence providing Mr. Ramirez with a total of six months of coverage for a total of four hundred  
8 eighty dollars (\$480.00). Mr. Ramirez agreed to Respondent PAGE MARIE CASTRO's offer.  
9 Because Mr. Ramirez was only prepared to pay three hundred eight dollars (\$380.00),  
10 Respondent PAGE MARIE CASTRO offered to loan him one hundred dollars (\$100.00) wherein  
11 Mr. Ramirez agreed to the loan and was given a receipt of payment for the six month premium  
12 payment. Respondent PAGE MARIE CASTRO created and handed to Mr. Ramirez an Insurance  
13 Identification Card representing that Orion Auto Insurance would insure Mr. Ramirez' 1996 Ford  
14 Windstar from December 2, 2002 until June 3, 2003. The certificate bears a policy number  
15 "052878249" and an issuing agency "Fraser Yamor Jacob & Young". Later that day, Mr.  
16 Ramirez repaid the loan by giving Respondent PAGE MARIE CASTRO one hundred dollars  
17 (\$100.00) in cash at Respondent PAGE MARIE CASTRO's personal residence. Respondent  
18 PAGE MARIE CASTRO gave Mr. Ramirez a receipt verifying that the premium payment was  
19 made towards a policy with "OrionAutoInsurance" with a policy number "TO BE  
20 DETERMINED".

21 208. In reality, neither Respondent PELICAN BAY COMPANY, formerly DBA  
22 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY nor Respondent PAGE  
23 MARIE CASTRO had the authority to issue the certificate of insurance referenced in Paragraph  
24 207 because no policy was actually in effect, in fact, California Capital Insurance Company had  
25 cancelled the insurance policy effective October 31, 2002 and had never been reinstated.

26 209. On or about June 3, 2003, Jamie Ramirez visited Respondent PELICAN BAY  
27 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
28 place of business to determine the status of his automobile insurance policy because Mr. Ramirez

1 had not yet received a renewal notice. On this day, Mr. Ramirez dealt with America Bernice  
2 Valencia, an employee of Respondent PELICAN BAY COMPANY, formerly DBA FRASER  
3 YAMOR JACOB & YOUNG INSURANCE AGENCY. Ms. Valencia represented that she was  
4 unable to answer Mr. Ramirez' questions regarding the status of Mr. Ramirez' automobile  
5 insurance policy. As a result, Mr. Ramirez suspected that his automobile was not insured.

6 210. From October 2002 through June 2003, Respondent PELICAN BAY COMPANY,  
7 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
8 Respondent PAGE MARIE CASTRO failed to remit Jamie Ramirez' premium to Orion Auto  
9 Insurance, which exposed Mr. Ramirez to the risk of loss without insurance coverage in violation  
10 of Section 1668(j), Section 1668(l), Section 1733, and Section 1734 of the California Insurance  
11 Code.

12 211. In or around June 2003, Respondent MARGARET MARY YOUNG refunded  
13 Jaime Ramirez approximately three months worth of insurance premium.

14 212. In a letter dated March 8, 2005, Marsha Guy, Compliance Associate for Viking  
15 Insurance Company, indicated to the California Department of Insurance that Orion Auto  
16 Insurance issued Jamie Ramirez an insurance policy (policy number 052878249) effective April  
17 5, 2002 until October 31, 2002, when said policy was cancelled for nonpayment of premium. Ms.  
18 Guy indicated that Orion Auto Insurance had never insured Mr. Ramirez' 1996 Ford Windstar  
19 from December 2, 2002 to June 3, 2003.

20 q. Vincente and Natalia Perez Transaction

21 213. In or around 2002, Vincente Perez purchased automobile insurance with Valley  
22 Auto Insurance Company using Respondent PELICAN BAY COMPANY, formerly DBA  
23 FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's services. Mr. Perez made  
24 monthly insurance premium payments by money order to Respondent PELICAN BAY  
25 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY.

26 214. On or about January 17, 2003, Natalia Perez, Vincente Perez' wife, visited  
27 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
28 YOUNG INSURANCE AGENCY's place of business. On that day, Ms. Perez dealt with

1 Respondent PAGE MARIE CASTRO. Respondent PAGE MARIE CASTRO suggested that the  
2 Perez's cancel their policy with Valley Auto Insurance Company and purchase a new policy with  
3 California Capital Insurance Company. Later that day, Ms. Perez obtained a money order in the  
4 amount of two hundred thirty-four dollars and ninety cents (\$234.90) from the Crescent City Post  
5 Office. Ms. Perez immediately returned to Respondent PELICAN BAY COMPANY, formerly  
6 DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's place of business to  
7 pay for the California Capital Insurance Company policy using the money order. Respondent  
8 PAGE MARIE CASTRO gave Ms. Perez a receipt verifying that the premium payment was made  
9 towards a policy with "California Insurance Group" with a policy number "TO BE  
10 DETERMINED". However, the application was never submitted to California Capital Insurance  
11 Company and no insurance policy was issued.

12         215. On or about April 4, 2003, Vincente Perez visited Respondent PELICAN BAY  
13 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
14 place of business to make a payment on his automobile insurance policy with California Capital  
15 Insurance Company, under the mistaken belief that an insurance policy was in effect. On that  
16 day, Mr. Perez dealt with Respondent PAGE MARIE CASTRO. Mr. Perez paid using a money  
17 order issued by the United States Postal Service in the amount of two hundred dollars (\$200.00)  
18 payable to "California Ins. Group".

19         216. On or about April 15, 2003, Vincente Perez visited Respondent PELICAN BAY  
20 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
21 place of business to make a payment on his automobile insurance policy with California Capital  
22 Insurance Company, under the mistaken belief that an insurance policy was in effect. On this  
23 day, Mr. Perez dealt with Respondent PAGE MARIE CASTRO. Mr. Perez paid using a money  
24 order issued by the United States Postal Service in the amount of one hundred eighty dollars  
25 (\$180.00) to "CIG". Respondent PAGE MARIE CASTRO gave Mr. Perez a receipt verifying  
26 that the premium payment was made towards a policy with "California Insurance Group" with a  
27 policy number "TO BE DETERMINED".

28         217. In or around May 2003, Vicente Perez visited Respondent PELICAN BAY

1 COMPANY, formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY's  
2 place of business to make a payment on his automobile insurance policy with California Capital  
3 Insurance Company. However, on this day, Mr. Perez dealt with another employee of  
4 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
5 YOUNG INSURANCE AGENCY wherein the employee notified Mr. Perez that he did not have  
6 an automobile insurance policy in effect. Mr. Perez immediately went to a United States Post  
7 Office to request a copy of the redeemed money order he had given Respondent PAGE MARIE  
8 CASTRO on April 4, 2003.

9 218. In a letter dated June 16, 2003, the United States Postal Service enclosed a copy of  
10 the money order Mr. Perez requested. The money order indicates "Page Castro" as the payee and  
11 bears the endorsement signature "Page Castro" on the reverse side.

12 219. In a letter dated August 25, 2005, Robert L. Wilkinson, Personal Lines Manager  
13 for California Capital Insurance Company, indicated to the California Department of Insurance  
14 that California Capital Insurance Company had never issued an automobile insurance policy to  
15 Vincente or Natalia Perez.

16 220. From January 2003 through May 2003, Respondent PELICAN BAY COMPANY,  
17 formerly DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY and/or  
18 Respondent PAGE MARIE CASTRO failed to remit Vincente and Natalia Perez's premium to  
19 California Capital Insurance Company, which exposed the Perez's to the risk of loss without  
20 insurance coverage in violation of Section 1668(j), Section 1668(l), Section 1733, and Section  
21 1734 of the California Insurance Code.

22 221. On or about July 16, 2003, Respondent JERROLD RANDOLPH YOUNG issued  
23 two checks totaling an amount of hundred sixty-two dollars and thirty-eight cents (\$362.83) to  
24 Vicente and Natalia Perez representing a refund for the Perez' premium payments made to  
25 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
26 YOUNG INSURANCE AGENCY.

#### 27 STATUTORY ALLEGATIONS

28 222. The facts as alleged in Paragraphs 9 through 221, herein above, demonstrate that it

1 would be against the public interest to permit Respondent PELICAN BAY COMPANY, formerly  
2 DBA FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY, Respondent JERROLD  
3 RANDOLPH YOUNG, Respondent MARGARET MARY YOUNG, and Respondent PAGE  
4 MARIE CASTRO to continue transacting insurance in the State of California and constitute  
5 grounds for the Commissioner to suspend or revoke Respondents' licenses and licensing rights  
6 pursuant to the provisions of Sections 1668(b) and 1738 of the California Insurance Code.

7 223. The facts as alleged in Paragraphs 9 through 221, herein above, demonstrate that  
8 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
9 YOUNG INSURANCE AGENCY, Respondent JERROLD RANDOLPH YOUNG, Respondent  
10 MARGARET MARY YOUNG, and Respondent PAGE MARIE CASTRO are lacking in  
11 integrity, and constitute grounds for the Commissioner to suspend or revoke Respondents'  
12 licenses and licensing rights pursuant to the provisions of Sections 1668(e) and 1738 of the  
13 California Insurance Code.

14 224. The facts as alleged in Paragraphs 9-49, 71-97, and 114-193, herein above,  
15 demonstrate that Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
16 JACOB & YOUNG INSURANCE AGENCY, Respondent JERROLD RANDOLPH YOUNG,  
17 and Respondent PAGE MARIE CASTRO have previously engaged in a fraudulent practice or act  
18 or have conducted a business in a dishonest manner, and constitute grounds for the Commissioner  
19 to suspend or revoke Respondents' licenses and licensing rights pursuant to the provisions of  
20 Sections 1668(i) and 1738 of the California Insurance Code.

21 225. The facts as alleged in Paragraphs 9 through 221, herein above, demonstrate  
22 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
23 YOUNG INSURANCE AGENCY, Respondent JERROLD RANDOLPH YOUNG, Respondent  
24 MARGARET MARY YOUNG, and Respondent PAGE MARIE CASTRO have shown  
25 incompetence or untrustworthiness in the conduct of business, or have by commission of a  
26 wrongful act or practice in the course of business exposed the public or those dealing with them  
27 to the danger of loss, and constitute grounds for the Commissioner to suspend or revoke  
28 Respondents' licenses and licensing rights pursuant to the provisions of Sections 1668(j) and

1 1738 of the California Insurance Code.

2 226. The facts as alleged in Paragraphs 9-49, 71-97, and 114-193, herein above,  
3 demonstrate that Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
4 JACOB & YOUNG INSURANCE AGENCY, Respondent JERROLD RANDOLPH YOUNG,  
5 and Respondent PAGE MARIE CASTRO have knowingly misrepresented the terms or effect of  
6 an insurance policy or contract and constitute grounds for the Commissioner to suspend or revoke  
7 Respondents' license and licensing rights pursuant to the provisions of Sections 1668(k) and 1738  
8 of the California Insurance Code.

9 227. The facts as alleged in Paragraphs 9, 50-70, 98-113, 194-221, herein above,  
10 demonstrate Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
11 JACOB & YOUNG INSURANCE AGENCY, Respondent JERROLD RANDOLPH YOUNG,  
12 and Respondent PAGE MARIE CASTRO have failed to perform a duty expressly enjoined upon  
13 them by a provision of the California Insurance Code or has committed an act expressly forbidden  
14 by such a provision, (including, but not limited to California Insurance Code Sections 1733  
15 and/or 1734), and constitute grounds for the Commissioner to suspend or revoke Respondents'  
16 licenses and licensing rights pursuant to the provisions of Sections 1668(l) and 1738 of the  
17 California Insurance Code.

18 228. The facts as alleged in Paragraphs 9, 11-34, 71-97, 114-193, herein above,  
19 demonstrate that Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
20 JACOB & YOUNG INSURANCE AGENCY, Respondent JERROLD RANDOLPH YOUNG,  
21 and/or Respondent MARGARET MARY YOUNG have aided or abetted a person in an act or  
22 omission which would constitute grounds for the suspension, revocation or refusal of a license or  
23 certificate issued under the California Insurance Code to the person aided or abetted (including,  
24 but not limited to California Insurance Code Sections 1733 and/or 1734) in violation of Section  
25 1668(n) of the California Insurance Code.

26 229. The facts as alleged in Paragraphs 9, 11-34, 71-97, 114-193, herein above,  
27 demonstrate that Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
28 JACOB & YOUNG INSURANCE AGENCY, Respondent JERROLD RANDOLPH YOUNG,



1 and/or Respondent MARGARET MARY YOUNG have permitted a person in his or her employ  
2 to violate a provision of the California Insurance Code (including, but not limited to California  
3 Insurance Code Sections 1733 and/or 1734) in violation of Section 1668(o) of the California  
4 Insurance Code.

5 230. The facts as alleged in Paragraphs 9, and 35-49, herein above, demonstrate that  
6 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
7 YOUNG INSURANCE AGENCY is an organization with a controlling person, Respondent  
8 JERROLD RANDOLPH YOUNG, who has previously engaged in a fraudulent practice or act or  
9 has conducted any business in a dishonest manner, and constitute grounds for the Commissioner  
10 to suspend or revoke Respondents' licenses and licensing rights pursuant to the provisions of  
11 Sections 1668.5(a)(1) and 1738 of the California Insurance Code.

12 231. The facts as alleged in Paragraphs 9, 35-70, and 98-113, herein above, demonstrate  
13 that Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
14 YOUNG INSURANCE AGENCY is an organization with a controlling person, Respondent  
15 JERROLD RANDOLPH YOUNG and/or Respondent MARGARET MARY YOUNG, who has  
16 shown incompetency or untrustworthiness in the conduct of any business, or has by commission  
17 of a wrongful act or practice in the course of any business exposed the public or those dealing  
18 with him or her to the danger of loss, and constitute grounds for the Commissioner to suspend or  
19 revoke Respondents' licenses and licensing rights pursuant to the provisions of Sections  
20 1668.5(a)(2) and 1738 of the California Insurance Code.

21 232. The facts as alleged in Paragraphs 9, and 35-49, herein above, demonstrate that  
22 Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
23 YOUNG INSURANCE AGENCY is an organization with a controlling person, Respondent  
24 JERROLD RANDOLPH YOUNG, who has knowingly misrepresented the terms or effect of an  
25 insurance policy or contract, and constitute grounds for the Commissioner to suspend or revoke  
26 Respondents' licenses and licensing rights pursuant to the provisions of Sections 1668.5(a)(3) and  
27 1738 of the California Insurance Code.

28 233. The facts as alleged in Paragraphs 9, 50-70, and 98-113, herein above, demonstrate

1 that Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR JACOB &  
2 YOUNG INSURANCE AGENCY is an organization with a controlling person, Respondent  
3 JERROLD RANDOLPH YOUNG, who has failed to perform a duty expressly enjoined upon him  
4 or her by a provision of the California Insurance Code (including, but not limited to California  
5 Insurance Code Sections 1733 and/or 1734) or has committed an act expressly forbidden by a  
6 provision of the California Insurance Code, and constitute grounds for the Commissioner to  
7 suspend or revoke Respondents' licenses and licensing rights pursuant to the provisions of  
8 Sections 1668.5(a)(4) and 1738 of the California Insurance Code.

9         234. The facts as alleged in Paragraphs 9, 11-34, 71-97, and 114-193, herein above,  
10 demonstrate that Respondent PELICAN BAY COMPANY, formerly DBA FRASER YAMOR  
11 JACOB & YOUNG INSURANCE AGENCY is an organization with a controlling person,  
12 Respondent JERROLD RANDOLPH YOUNG and/or Respondent MARGARET MARY  
13 YOUNG, who has aided or abetted a person in an act or omission that would constitute grounds  
14 for the suspension, revocation, or refusal of a license or certificate issued under the California  
15 Insurance Code (including, but not limited to California Insurance Code Sections 35, 1668(j),  
16 and/or 1668(k)) to the person aided or abetted, and constitute grounds for the Commissioner to  
17 suspend or revoke Respondents' licenses and licensing rights pursuant to the provisions of  
18 Sections 1668.5(a)(6) and 1738 of the California Insurance Code.

19         235. The facts as alleged in Paragraphs 9, 11-34, 71-97, and 114-193, herein above,  
20 demonstrate that Respondent FRASER YAMOR JACOB & YOUNG INSURANCE AGENCY is  
21 an organization with a controlling person, Respondent JERROLD RANDOLPH YOUNG and/or  
22 Respondent MARGARET MARY YOUNG, who has permitted a person in his employ to violate  
23 a provision of the California Insurance Code (including, but not limited to California Insurance  
24 Code Sections 35, 1668(j), and/or 1668(k)), and constitute grounds for the Commissioner to  
25 suspend or revoke Respondents' licenses and licensing rights pursuant to the provisions of  
26 Sections 1668.5(a)(7) and 1738 of the California Insurance Code.

27         236. The facts as alleged in Paragraphs 50-70, herein above, demonstrate that  
28 Respondent JERROLD RANDOLPH YOUNG intentionally misrepresented whether three

1 insurers declined a particular type of risk prior to soliciting the services of a surplus lines broker  
2 in violation of Section 1763 of the California Insurance Code.

3  
4  
5 Dated: June 18, 2009

STEVE POIZNER,

Insurance Commissioner

8 *Original signed by:*

9  
10 By                     //s//

11 DANETTE C. BROWN  
12 Senior Staff Counsel

13 ///

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